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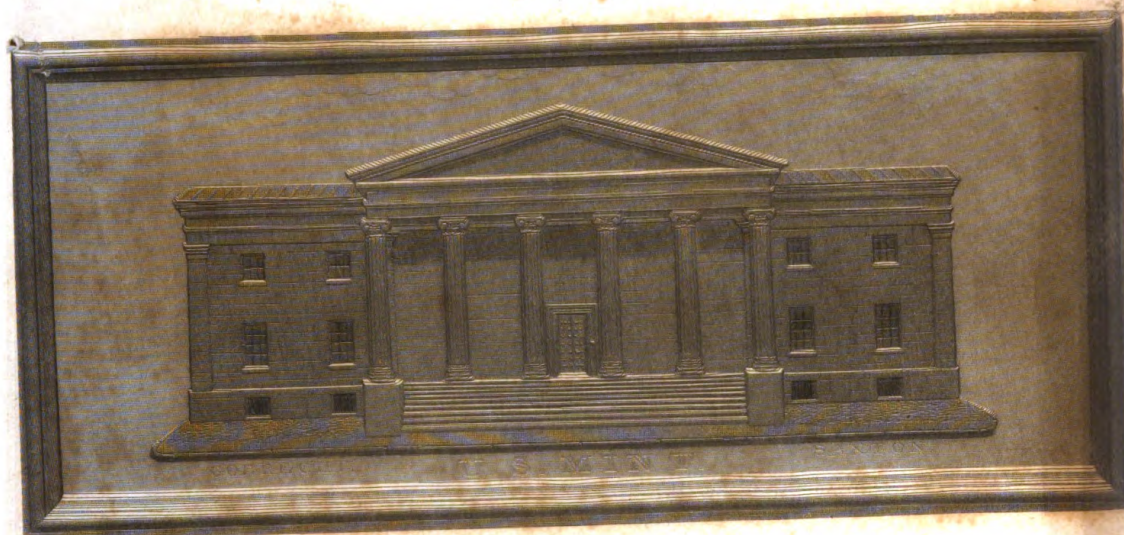














THE  
CHICAGO LIBRARY  
BANKERS' MAGAZINE,

AND

State Financial Register.

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EDITED BY J. SMITH HOMANS.

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"No expectation of forbearance or indulgence should be encouraged. Favor and benevolence are not the attributes of good banking. Strict justice and the rigid performance of contracts are its proper foundation."

"The Revenue of the State IS THE STATE: in effect, all depends upon it, whether for support or reformation."

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VOLUME THIRD,  
FROM JULY, 1848, TO JUNE, 1849, INCLUSIVE.

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BALTIMORE:  
PRINTED BY JOHN D. TOY.

1849.



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## ENGRAVING.

The Mint of the United States,—*Frontispiece.*

THE  
BANKERS' MAGAZINE,  
AND  
State Financial Register.

VOL. III.

JULY, 1848.

NO. I.

REMINISCENCES OF BALTIMORE,

OR BALTIMORE TOWN IN 1795.

Travelling Facilities fifty-three years ago—Changes in the Basin—New Papers proposed—New Lines projected for Philadelphia and Easton—Delays of Travel—New Stone Bridges over Jones' Falls—New Insurance Companies—New Banks Established.

*Travel.*—In consulting the daily journals of fifty years since, published in Baltimore, the reader is struck with the extraordinary, nay, *almost incredible*, changes that have taken place in the facilities of travel to and from the city. The traveller of that period had neither the telegraph nor the rail road to prompt his movements. Even steamboats, now pursuing their comparatively slow path, were unknown—not conceived. The *mail coach* was the ready means of reaching Philadelphia in thirty hours, and news from Boston in seven days was a rarity.

In the winter season, more particularly, the merchant, the broker and the statesman had to wait the dull process of the mail for intelligence respecting the captures on the ocean, money operations, or the elections far and near.

As a singular instance of such delays, we find the editor of a daily paper in Baltimore, acknowledges in his journal of the 25th February, 1795, "A gentleman who arrived last night in the stage from Philadelphia, favored us with a Philadelphia paper of the 21st instant. Our readers will attribute the barrenness of our paper to the irregularity of the mails, which, although they arrived last evening in due time, brought, we may say, not a single paper."

On the 3d March of that year, a new line of "accommodating coaches" was advertised by William Evans & Co., to start from Grant's Fountain

Inn every Monday, Wednesday and Friday, at 7 A. M.—each coachee to carry six passengers only, and each passenger entitled to fifteen pounds of baggage. The mail line of the same period left Baltimore at 4 o'clock, A. M., and by dint of great energy and skill, was *promised* to arrive in Philadelphia the next morning at 9 o'clock.

The modes of transportation of merchandize were yet more dilatory—three or four days being the time then ordinarily consumed in carrying goods from and to Philadelphia. Messrs. William McDonald & Co., who were in 1795 among the prominent forwarding houses of Baltimore, gave the following notice in July of that year:

“The subscribers respectfully inform the citizens of Baltimore town and the public in general, that for the sake of expediting the carriage of merchandize and baggage of every kind, they have established a line of packet boats, which leaves Bowly's Wharf every day, precisely at 8 o'clock, (Saturday excepted,) for Philadelphia, via Frenchtown and New Castle. They arrive at Frenchtown on the evening after leaving Baltimore, where there are two stages ready to start the next morning at 4 o'clock for New Castle, from whence a packet boat will immediately proceed to Philadelphia.”

The Baltimore Daily Gazette of October 3d, 1795, gives extracts from Boston papers of the 23d September, as the *latest dates*, with important foreign news. This exciting intelligence, when France and England were both making havoc with American merchantmen, was received at Boston by a clipper schooner in the short space of fifty three days.

Among the new facilities of the same period, a regular packet was established for passengers and merchandize between Baltimore and Easton, (Md.) The packet to leave Baltimore every Wednesday at 9 A. M., (*weather permitting.*)

Fells Point (Baltimore) was not then “sold to the Dutch.” The bulk of the shipping business was transacted at the Point, although there was much done at and near Bowly's wharf. Vessels were then loaded in the basin, fronting on Charles street, and in a dock which occupied that portion of the city now known as *Cheapside*, from Pratt to Water street. In March, 1795, Abraham Van Bibber advertised for sale “two large warehouses on my wharf, on Charles street, suitable for small dwellings or compting rooms.”

Propositions were made at the same period for constructing stone bridges in lieu of old wooden ones, over Jones' Falls. Exceptions were taken on the ground of the enormous expense and the tax that would be entailed upon the city. A writer in the Gazette said:

“I see in the papers a notification from the Board of Special Commissioners of Baltimore town, intimating the necessity of making provision for three stone bridges over Jones' Falls, and suggesting the propriety of petitioning the next General Assembly on the occasion. As this is a subject of importance to the citizens at large, it is worthy of consideration, what would be the most eligible means of raising money for building said bridges, and this to be done with equity to individuals.

“I would submit the propriety of these bridges being built by private citizens, and giving them a toll by way of compensation, and obliging them to keep the same in good order. By this means, the public will always have good bridges without any expense, and the individuals who used them would pay for them.”



Public notice was given in September of an intention to petition the General Assembly for an act to open and extend Charles street from Pratt to Barre street. This portion of the city is now the location of two rail road depots. A card was published in the same month by an inhabitant of Camden street, presenting his "compliments to the owners of the ground between Pratt and Camden streets, covered with stagnant and putrid water, and acquaints them that if they do not fill up that ground very soon, he shall take legal means to compel them."

*Trade.*—Notice was published in June, 1795, that "the Justices of the Peace for Baltimore county are requested to attend at the Court House in Baltimore town, for the purpose of choosing an inspector of tobacco for the present year." Tobacco then formed an important article among the exports of Baltimore town. The trade was active with Hamburg, Bremen, Liverpool, West Indies, Madeira, &c.; and the Baltimore clip-pers had even then great reputation for fast sailing. The following table exhibits the comparative duties received at the custom houses of the then principal ports, for the year 1793, also the duties on tonnage for the same year:

	<i>Nett Revenue.</i>	<i>Duties on Tonnage.</i>		<i>Nett Revenue.</i>	<i>Duties on Tonnage.</i>
Philadelphia,	\$1,804,318	\$14,273	Boston,	619,100	6,050
New York,	1,195,511	18,450	Charleston,	354,660	13,870
Baltimore,	855,531	17,212	Norfolk,	218,921	10,971

And it was then observed, "Baltimore, which in 1763 was not known as a town, has outstripped the great town of Boston, and treads close on the heels of New York."

At that period the act of Congress "for laying duties upon carriages for the conveyance of persons," established the following rates:

For and upon every coach, the sum of	-	-	-	-	\$10
For and upon every chariot, the sum of	-	-	-	-	8
For and upon every phaeton and coachee, the sum of	-	-	-	-	6
For and upon every other four wheel and two wheel top-carriage,	-	-	-	-	2

Such were the great risks upon the high seas that the premiums of marine insurance necessarily kept pace with the increased hazard arising from the seizures by the English and French, and the numerous condemnations of American vessels and cargoes—evils further aggravated by the measures adopted by the English Government to *press* our seamen. The published rates for the year beforementioned were as follows, from Boston:

To any port in Europe, (Mediterranean and Baltic excepted,) -	-	-	2½ a 3
To any port in Europe, out and home, -	-	-	4½ a 5
To any port in Mediterranean and Baltic, warranted free from seizures, -	-	-	3
"    "    "    out and home, -	-	-	5½ a 6
To Madeira, Cape de Verde, &c., -	-	-	2½
"    "    out and and home, -	-	-	4½ a 5
To Cape of Good Hope, Isle of France, &c., -	-	-	7½ a 4
"    "    out and home, -	-	-	7
To China, out and home, -	-	-	10
To Jamaica and Cuba, -	-	-	3
"    "    out and home, -	-	-	5
To New Orleans, -	-	-	3

To North and South Carolina, Georgia, Bahamas, &c., - - - 2  
 To New York, Maryland and Virginia, - - - 1½ a 2

The course of exchange on 22d September, 1795, was as follows :

Bills on London	30 days,	1 per cent above par.
" "	60 "	par.
" "	90 "	1 per cent discount.
Stock of the Bank United States,	28 per cent advance.	
" " of Pennsylvania,	28½ "	"
" " of North America,	45 "	"

*Banking and Insurance.*—The Bank of Maryland was in operation at the time we are now describing. We find in February, 1795, a notice by Ebenezer MacKie, cashier, to the stockholders of the Bank of Maryland, requesting them to meet at the Fountain Inn, (the source of many good things then as well as in 1848,) for the election of twelve directors. The bank declared a half yearly dividend of six per cent in March, and another of six per cent in September of the same year. These were better dividends than are declared in the prosperous times of 1847–8, when the maximum rate of the Baltimore banks is 3½ per cent for six months.

The cashier of the "Baltimore Office of Discount and Deposit," (David Harris,) gave notice in February that the directors would proceed to the election of a porter. "The present salary is £75 per annum, but it is expected the board will raise it to £100." The directors at the parent bank, elected in January, 1795, were Thomas Willing, Robert Smith, Joseph Anthony, Samuel Breck, Jeremiah Parker, Thomas Ewing, Archibald McCall, Matthew Clarkson, Joseph Ball, Matthew McConnell, John M. Nisbitt, Isaac Wharton, James C. Fisher, William Bingham and Jacob Downing. J. Lawrence, R. Harrison, A. Hammond, N. Hoffman, W. Bayard and G. Scriba, of New York: Henry Nichols and James Cox, of Maryland: John Perot and Elias Boudinot.

The Maryland Insurance Company gave notice that they would commence business on the 13th April, 1795. This, we believe, was the first insurance company started in Baltimore town. The stockholders were required to pay 10 per cent in cash and their notes for the remainder, with two approved endorsers, negotiable at the Bank of Maryland. The first set of directors were the following, among whom will be seen the names of merchants then and afterwards eminent for enterprise and wealth:—David Stewart (*President*), Robert Gilmore, William Patterson, Robert Oliver, John Hollins, James A. Buchanan, Thorowgood Smith, Henry Nichols, Jeremiah Yellott, Archibald Campbell, Adrian Valck, Charles Ghequire and James Clarke. Hercules Courtenay, *Secretary*.

It seems that the Maryland Insurance Company could not underwrite for all the risks of the period. We find the following notice, issued on the 26th September, 1795:

"Whereas many of the merchants residing in Baltimore find it impossible to get insured, at this place, the property they send abroad, they think it expedient to have a company incorporated for the purpose of effecting insurances, and are convinced that if such a company were established with a competent capital, on liberal principles and under judicious regulations, it will easily obtain general confidence and be attended with manifold advantages to the community at large. It is therefore proposed that the next General Assembly of this State should be applied to for its sanction."



This call was signed by James Barry, Richard Carson, Jr., William Wilson, John P. Pleasants, A. Brown, Jr., William MacCreery, Stephen Casnave. The capital to be \$300,000, and the company to be styled "the Baltimore Insurance Company."

On the 30th April, 1795, proposals were issued under the signatures of David Stewart, Henry Payson, William Wilson, Joseph Swan, Elias Elliciott and others, for the charter of a new Bank, application to be made to the following General Assembly. The Bank to be formed upon the following conditions:

1. Capital \$3,000,000, in shares of three hundred dollars:
2. The Bank to pay the State one-half the profits exceeding ten per cent annually—the other half to the stockholders:
3. The State to be a stockholder for any amount subscribed by order of the Assembly:
4. A junction to be formed with the "Bank of Maryland."

This meeting probably led to the incorporation of the oldest banking institution now in Maryland, viz: *The Bank of Baltimore*. This bank was chartered at the November session, 1795, with an authorised capital of twelve hundred thousand dollars. Subscriptions were received to the same during the following year; and on the 19th October, 1796, the directors met for the first time. The following gentlemen composed the first board of directors, *not one of whom is now living*, viz: David Stewart, William Wilson, William Winchester, George Salmon, James West, Elias Ellicott, John Stump, William Lorman, John Stricker, Charles Ghequire, Christopher Johnson, Solomon Etting, Lewis Pascault and Charles Ridgely. At this meeting of the board, George Salmon was elected President, at a salary of \$2,500, and James Cox was afterwards elected Cashier. Mr. Salmon continued President until 1807.

It is remarkable that all the successive presidents of the bank, from 1797 till 1841, were members of the first board, viz: William Wilson, John Stricker and William Lorman. It is yet more remarkable that during a period of fifty-one years, there have been only two cashiers of the same institution.

William Wilson was elected President on the 18th September, 1807, and at his death, General John Stricker became President on the 2d of April, 1824. General Stricker remained in office a few months only. He died June 23d, 1825, and William Lorman was chosen his successor on the 28th of the same month.

Mr. Lorman held the office during the 16 years following, embracing two suspensions of specie payment by the banks generally: and resigned in December, 1841. The present President, James H. McCulloch, was chosen immediately following Mr. Lorman's resignation.

Mr. Cox held the post of cashier of the Bank of Baltimore from 1796 till 1st June, 1841, and was succeeded on that day by Mr. Jamison, who is now cashier. The bank commenced business operations on the 2d January, 1797; the hours being then as now throughout the year, from 9 till 3 o'clock. The first officers were Thomas Donaldson, *notary public*, John Thomas and Richard Nicholls, *tellers*, John Wetherburn and Thomas Goldsmith, *book-keepers*, Lemuel Warfield, *discount clerk*, James Winchester, *counsel*.

The bank has in some instances declared dividends of \$12 and \$15 per share; but there has been no interruption to the regular semi-annual dividends from its first organization until 1848.

The "Federal Intelligencer and Baltimore Daily Gazette" was published in that year. One daily was not however considered sufficient for the wants of Baltimore, then "treading on the heels of New York." In January a new daily was projected, to be called the "Baltimore Telegraphe," by Messrs. Clayland, Dobbin & Co., at seven dollars per annum. "It is proposed to publish this paper every morning (Sundays excepted.) The name will indicate the intention of the editors, that like the *new machine*, lately invented in France, it may communicate the earliest and most interesting intelligence."

Proposals were issued at the same period for the publication of the Fell's Point Telegraphe. "It will be published as often as the post arrives, three times a week, on Mondays, Wednesdays and Saturdays," at two dollars and a half per annum.

*Slavery Society.*—"The Maryland Society for promoting the abolition of slavery and the relief of free negroes and others unlawfully held in bondage," had a long list of counsellors, committees, secretary, treasurer, &c., for the year. Small sums were usually offered by owners for the apprehension of runaway slaves—six dollars in one instance for the recovery of "a French negro man." Eight dollars was the usual reward in such cases, and rarely the sum exceeded thirty dollars. Occasionally a sale would be effected of a *wild Irish girl*. In May, 1795, was offered "For sale—an Irish servant girl, who has about two years to serve, and is strong and healthy;" and a few days afterwards—

"Just arrived, the ship Sally, from Limerick, with a number of men and women, servants and redemptioners, all in good health, whose times will be disposed of."

The "free soil party" had not then organized itself: nor was the Maryland Colony in Liberia dreamed of. Slavery was in vogue in Pennsylvania and New York, and the southern line of Pennsylvania was not then the desired goal for runaways. Eight dollars reward was offered by John Carrere, of Baltimore, John B. Desdoity, of New York, and L. Croussillat, of Philadelphia, for the apprehension of a negro man named Dalmas, and his delivery in either of the three named cities.

A notice of insolvency was couched in the following language:

"Take notice, that I, ———, mean to petition the Assembly at their next session for an act of insolvency, for debts which I am unable to pay."

Thus the creditors had due notice of contemplated insolvency, and the applicant would be enabled to effect compromises before the time for consummation of the act.

*Lotteries.*—Among other lottery schemes for raising money, the most popular was that for raising a fund for cleaning and deepening the harbor and basin. This scheme was for \$50,000, of which \$41,490 was in prizes and \$8,510 (the available surplus) in blanks. The lottery to be drawn under the control of five port wardens and three special commissioners. It was reserved for a subsequent period to create lotteries for the erection of churches and for other public purposes. Howard's Hill

(now Monument street and the site of the monument) was a noted resort for trespassers. Advertisements were issued in French and English by John E. Howard, the proprietor, to "caution all persons not to pass through or to hunt or to shoot within my enclosures, as I shall be under the necessity of proceeding in a legal manner against those who may be hereafter found trespassing."

Early in June, 1795, notice was given that "the Post Office is removed over the way, to the third house in St. Paul's lane." The wheels of the post office moved slowly, and the editors were frequently "under obligations to a mail coach passenger for the latest news from New York, up to the hour of departure." To show how irregularly news was transmitted from place to place, (now within three minutes reach,) we quote from the Daily Gazette of March 9th, an extract from the Norfolk papers of February 28th, viz:

"Thursday night arrived the ship Thomas, Captain Vickery, from London, after a passage of eleven weeks. In the ship came Captain Blaney, who was charged with despatches from our minister, Mr. Jay, to the President of the United States. He set off *express* immediately on landing, for Philadelphia."

Here was intelligence, *in nine days from Norfolk*, of the celebrated treaty of Mr. Jay with the British Government, which called forth so much feeling among the merchants, and the details of which were made known in June and July following. Public meetings were called in the large cities to discuss the treaty, and in Baltimore resolutions were adopted at a large meeting of merchants, held in July, when David Mc-Mechen, Solomon Etting, Alexander McKim, James A. Buchanan, Adam Fonerden, David Stodder and John Steel were appointed a committee to forward an address to the President, urging him to decline signing the treaty which had been assented to by the Senate: and adopting a Resolution

That the thanks of this meeting be presented to the *virtuous minority* in the Senate for their opposition to the proposed treaty.

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## THE REVOLUTIONS IN EUROPE.

From Blackwood's Magazine, May, 1848.

One of the most instructive facts as to the ruinous effect of the late revolution on the best interests of French industry, is to be found in the progressive and rapid decline in the value of all French securities, public and private, since it took place. It distinctly appears that *two-thirds of the capital of France has been destroyed since the Revolution*, in the short space of six weeks! Attend to the fall in the value of the public funds during that brief but disastrous period:—

French 3 per cents.			5 per cents.			
Fr.	Ct.		Fr.	Ct.		
1825	76	35	July 23	1817	69 0	July 29
1829	86	16	Dec. 5	1821	90 60	Nov. 2
1830	85	35	Jan. 18	1822	95 0	Sept. 5
1831	70	50	Dec. 2	1824	104 80	Feb. 5
1834	85	50	Nov. 30	1828	109 0	Sept. 4
1840	86	65	July 22	1829	110 65	Mar. 4
1844	85	65	Dec. 22	1831	98 30	Dec. 15
1845	86	40	May 20	1835	110 36	Feb. 4
1846	85	0	Feb. 28	1837	111 0	Sept. 5
1847	80	30	Jan. 2	1841	117 5	Sept. 4
1848	47	0	Mar. 15	1844	126 30	Mar. 4
1848	41	27	Mar. 28	1847	119 40	Feb. 22
1848	35	67	April 1	1848	116 75	Feb. 22
1848	34	64	April 5	1848	65 80	April 2
1848	33	10	Apr. 14	1848	51 0	April 12

—*La Presse*, Mar. 12, 1848, and *Times*, since that date.

The value of railway stock and bank shares has declined in a still more alarming proportion. Bank shares, which in 1824 sold for 3400 francs, are now selling at 900 francs—or little more than a FOURTH of their former value. Railway stock is unsaleable, being marked out for immediate confiscation. Taking one kind of stock with another, it may safely be affirmed that *TWO-THIRDS of the capital of France has perished since the Revolution, in the short space of seven weeks.* The fruit of thirty-three years' peace, hard labour, and penurious saving, has disappeared in seven weeks of anarchical transports!! Of course, the means of employing the people have declined in the same proportion; for where credit is annihilated, how is industry to be maintained, before its produce comes in, but by realized capital? How is its produce to be disposed of if two-thirds of the classes possessed of property have been rendered bankrupt? Already this difficulty has been experienced in France. The Paris papers of 13th April announce that seventy-five thousand persons, will be employed at the "ateliers Nationaux," or public workshops, at 30 sous a day, in the end of April—at a cost of 112,500 francs a day, or 3,375,000 francs (£150,000) a month. This is an addition to an armed force of above 100,000 men, paid for the most part two francs a day for doing nothing. No exchequer in the world can stand such a strain; far less that of a bankrupt and revolutionized country like France. It is no wonder that the French funds are down at 32, and an issue of assignats—in other words, the open and avowed destruction of all realized property—is seriously contemplated.

This is exactly the condition to which France was brought during the Reign of Terror, when the *whole* inhabitants of Paris fell as a burden on the government, and the cost of the 680,000 rations daily issued to them, exceeded that of the fourteen armies which combatted on the frontiers for the Republic. In those days the misery in Paris, the result of the Revolution, was so extreme, that the bakers' shops were besieged day and night without intermission by a famishing crowd; and the unhappy applicants were kept all night waiting during a severe frost, with a rope in their hands, and the thermometer often down to 5° Fahrenheit, to secure

their place for the distribution when the doors were opened. There is nothing new in the condition of France and Paris at this time: it has been seen and experienced in every age of the world; it has been familiar to the East for three thousand years. The principle that the state is the universal proprietor, the middle classes the *employes* of government, and the labouring class the servants of the state, is exactly the oriental system of government. It is just the satraps and fellahs of Persia—the mandarins and peasants of China—the zemindars and ryots of Hindostan over again. Exact parallels to the armed and insolent rabble who now lord it over Paris, and through it over France, may be found in the Prætorians of Rome—the Mamelukes of Egypt—the Janissaries of Constantinople. The visions of perfectibility and utopian projects of Louis Blanc, Lamartine, and Ledru Rollin, have already landed the social interests of France in the straits of the Reign of Terror—its practical government in the armed despotism of the Algerine pirates, or the turbulent sway of the Sikh soldiery.

But the contagion of violence, the ascendant of ambition, the lust of rapine have not been confined to the armed janissaries of Paris, or their delegates the Provisional Government. They have extended to other countries: they have spread to other states. They have infected governments as well as their subjects; they have disgraced the throne as well as the workshop. Whenever a revolution has been successful, and liberal governments have been installed, there a system of *foreign aggression* has instantly commenced. The first thing which the revolutionary government of Piedmont did, was to invade Lombardy, and drive the Austrian armies beyond the Po; the first exploit of constitutional Prussia, to pour into Sleswig to spoliage Denmark. Open preparations for revolutionizing Lithuania are made in the grand-duchy of Posen. A war has already commenced on the Po and the Elbe; it is imminent on the Vistula. Lamartine's reply to the Italian deputation proves that France is prepared, on the least reverse to the Sardinian arms, to throw her sword into the scale; his conduct in permitting an armed rabble to set out from Paris to invade Belgium, and another from Lyons to revolutionize Savoy, proves that the extension of the frontier of France to the Rhine and the Alps is still the favorite project of the French republic. If he declines to do so, the armed prætorians of Paris will soon find another foreign minister who will. France has 600,000 men in arms; Austria 500,000: 150,000 Russians will soon be on the Vistula. Hardly was uttered Mr. Cobden's memorable prophecy of the approach of a *pacific millennium*, and a universal turning of swords into spinning-jennies, when the dogs of war were let slip in every quarter of Europe. Hardly was M. Lamartine's hymn of "liberty, equality, fraternity," chanted, when the reign of internal spoliation and external violence commenced in France, and rapidly extended as far as its influence was felt throughout the world.

"And this too, shall pass away." The reign of injustice is not eternal: it defeats itself by its own excesses: the avenging angel is found in the human heart. In the darkest days of humanity, this great law of nature is unceasingly acting, and preparing in silence the renovation of the world. It will bring about the downfall of the prætorian bands who now rule France, as it brought about the overthrow of Robespierre, the fall of

Napoleon. The revolutionary tempest which is now sweeping over Europe cannot long continue. The good sense of men will reassume its sway after having violently reeled: the feelings of religion and morality will come up to the rescue of the best interests of humanity: the generous will yet combat the selfish feelings: the spirit of heaven will rise up against that of hell. It is in the eternal warfare between these opposite principles, that the true secret of the whole history of mankind is to be found: in the alternate triumph of the one and the other, that the clearest demonstration is to be discerned of the perpetual struggle between the noble and generous and selfish and corrupt desires which for ever actuate the heart of man.

"To rouse effort by the language of virtue," says Mr. Alison, "and direct it to the purposes of vice, is the great art of revolution." What a commentary on these words have recent events afforded! Judging by the language of the revolutionists, they are angels descended upon earth. Nothing but gentleness, justice, philanthropy is to be seen in their expressions: nothing but liberty, equality, fraternity in their maxims. Astræa appears to have returned to the world: the lion and the kid have lain down together.—Justice and Mercy have kissed each other. Judging by their actions, a more dangerous set of ruffians never obtained the direction of human affairs: justice was never more shamelessly set at naught in measures, robbery never more openly perpetrated by power. Their whole career has been one uninterrupted invasion of private rights; their whole power is founded on continual tribute to the selfish desire of individual aggrandisement among their followers. We do not ascribe this deplorable contrast between words and actions to any peculiar profligacy or want of conscience in the Provisional Government. Some of them are men of powerful intellect or fine genius; all, we believe, are sincere and well meaning-men. But "Hell is paved with good intentions."—They are pushed on by a famishing crowd in their rear, whom they are alike unable to restrain or to feed. They are fanatics, and fanatics of the most dangerous kind—devout believers in human perfectibility, credulous assertors of the natural innocence of man. Thence their enormous error—thence the enormous evils they have brought upon the world—thence the incalculable importance of the great *experimentum crucis* as to the justice of these principles which is now taking place upon the earth.

To give one instance, among many, of the way in which these regenerators of society proceed to spoliage their neighbors, it is instructive to refer to the proposals officially promulgated by the Provisional Government, in their interview with the railway proprietors of France, whom, by one sweeping act, it was proposed to "*absorb*" into the state. The Minister of the Interior stated that it was proposed to "purchase" the shares of the proprietors; and the word "purchase" sounded well, and was doubtless a balm to many a quaking heart, expecting unqualified confiscation. But he soon explained what sort of "purchase" it was which was in contemplation. He said that it was the intention of Government to "*absorb*" all the railway shares throughout France; to take the shares at the *current price in the market*, and give the proprietors not money but rentes, or public securities, to the same amount! That is, having first, by means of the revolution, lowered the current value of railway stock

to a twentieth, or, in some cases, a fiftieth part of what it was previous to that convulsion, they next proceed to *estimate it at that* depreciated value, and then pay the unhappy holders, not in cash, but in Government securities, themselves lowered to a third of their value, and perhaps ere long worth nothing. A more shameful instance of spoliation, veiled under the fine names of "absorption," centralization, and the like, never was heard of; but the Minister of the Interior had two conclusive arguments to adduce on the subject. Some of the railway lines at least were "paying concerns," and the republic must have cash; and all of them afforded work for the labouring classes, and Government must find employment for the unemployed.

To such a length have these communist and socialist projects proceeded in Paris, that a great effort of all the holders of property was deemed indispensable to arrest them. The effort was made on Monday, 17th April: but it is hard to say whether the dreaded evils or the boasted demonstration were most perilous, or most descriptive of the present social condition of the French capital. Was it by argument in the public journals, or by influencing the electors for the approaching Assembly, or even by discussion at the Clubs, as in the days of the Jacobins and the Cordeliers, that the thing was done? Quite the reverse; it was effected by a demonstration of *physical strength*. They took a leaf out of the book of the Chartists—they copied the processions of the Janissaries in the Atmeidan of Constantinople. The National Guard, *two hundred and twenty thousand strong*, mustered on the streets of Paris: they shouted out, "A bas les Communistes!"—"A bas Blanqui!"—"Vive le Gouvernement Provisoire!" and the Parisians flattered themselves the thing was done. Is not the remedy worse than the disease? What were fifteen thousand unarmed workmen spouting socialist speeches in the Champs de Mars to 200,000 armed National Guards, dictating their commands alike to the Provisional Government and the National Assembly! Was ever a capital handed over to such a lusty band of metropolitan janissaries? What chance is there of freedom of deliberation in the future Assembly, in presence of such formidable spectators in the galleries? Already M. Ledru Rollin is calculating on their ascendancy. Like all persons engaged in a successful insurrection—in other words, who have been guilty of treason—he is haunted by a continual, and in the circumstances ridiculous, dread of a counter-revolution: and in his circular of 15th April, he openly avows the principle that Paris is the soul of France; that it is the advanced guard of Freedom, not for itself alone,\* but the whole earth; and that the departments must not think of gainsaying the will of their sovereign leaders, or making the cause retrograde, in which all nations are finally to be blessed.

The account of this extraordinary demonstration, given in the Paris correspondence of the *Times* of 19th April, is so characteristic and graphic, that we cannot forbear the satisfaction of laying it before our readers. It recalls the preludes to the worst days of the first Revolution.

"Ever since the appearance of this bold defiance to the moderate majority in the Provisional Government, and its announcement that "the gauntlet was thrown down—the death-struggle was at hand," the city has naturally been in a state of subdued ferment. Various reports, some



of the most extravagant kind, were circulated from mouth to mouth. It was said that the majority of the members of the Government intended retreating to the Tuileries, and fortifying their position—that a collision between the violent and moderate parties was imminent—that the Ultras, led by Blanqui, were to profit by a new manifestation in favour of a further delay in the general elections, and against the admission of the military into the city upon the occasion of the great fraternization *fete*, in order to upset the moderate party in the Government; in fine, that Ledru Rollin, with two or three of his colleagues, was instigating, aiding, and abetting Blanqui in this movement to get rid of the majority of his other colleagues that thwarted his designs. Whatever the truth of all these rumours, the alarm was general. It soon became generally known that a monster meeting of the working classes was to be held in the Champ de Mars on the Sunday, and that Messrs. Louis Blanc and Albert, instigated, it was said, by the Minister of the Interior, had convoked this assembly. The Ultra party, it was added, designed to make use of this manifestation in order to forward the schemes already mentioned. This was the state of things on Sunday morning. In the Champ de Mars, a little after noon, the scene was certainly an exciting one. Delegates of all the trades and guilds of Paris were assembled, to the number of nearly 100,000 men. Banners were waving in all directions, and the fermenting crowd filled about a third of the vast space of the plain. It was with difficulty that an explanation could be obtained of the real object of the meeting. Its ostensible object, however, appeared to be the election from among the working classes of fourteen officers for the staff of the National Guard; although other motives, such as the choice of candidates among them for the general elections, and various deputations to the Government upon various matters connected with the endless organization of work, were also put forward. There is every reason to believe that the greater part of the meeting had in reality no other object in view, and that the other secret intrigues fomented by the Blanqui party were confined, at all events, to but a chosen few. About two o'clock the monster procession began to move towards the Hotel de Ville. Along the outer boulevards, along the esplanade of the Invalides, over the Pont de la Concorde, and along the quays, it moved on, like a huge serpent, bristling with tri-coloured banners. The head of the monster appeared to have nearly reached its destination before the tail had fully left the Champ de Mars. In passing through the Faubourg St. Germain, I found the *rappel* beating in every street; the National Guards were hurrying to their places of meeting, columns were marching forward; in every mouth was the cry that the Provisional Government was in danger from the *anarchists* of the Ultra party.

On reaching the quays, I found every thing in a state of revolution.—They were already lined, literally from one end to the other, by files of the National Guards; other battalions were advancing towards the Hotel de Ville; the legions of the *Garde Mobile* were hurrying in the same direction and seemed, as far as I could judge, animated by the same spirit of resistance of the National Guards to the supposed *coup-de-main* expected to be directed against the majority of the Government. It was with difficulty that the advancing legions could proceed along with the

monster procession, which seemed surprised and stupified by the force displayed. 'Thousands upon thousands of spectators crowded the long thoroughfare also, all endeavoring to push on to the scene of action. I reached at last the Place de l'Hotel de Ville; it appeared a very sea of bayonets; a small space only was left for the passage of the procession. The force of the armed citizens of the National Guards and the *Garde Mobile* made certainly a tremendous show. In this state matters remained upon the place for about four hours, during which the members of the Government were employed probably in receiving the delegates of the monster meeting of the working classes. From time to time, however, when they appeared at the windows of the old building, shouts were raised by the Guards, and the caps, hats, shakos, kepys, and all the other variations of *coiffure*, that suddenly burst up, like a forest, into the air upon every bayonet point, had a most singular effect. This was repeated continually. During the whole of this long scene in which such of the armed force as filled the Place kept its position, the ferment among the surrounding crowd was intense. Several *hommes du peuple*, were in a very angry and excited state; they declared that the working classes were insulted by this demonstration of the National Guards; that the National Guards were the enemies of the people; that the people must rise once more against them, &c. The cry against the Moderates was raised under the name of "*reactionnaires*" and "*faux republicains*;" the counter cry was "*anarchie*" and "*communisme*." Several times the angry parties among the spectators were on the point of coming to blows, and much hustling took place. This state of things remained the same when I left the Place de l'Hotel de Ville at six o'clock. In addition to the lines of National Guards that still occupied the quays, battalions after battalions of the different legions were still pouring along towards the Hotel de Ville even at that hour. The advancing columns reached through the Place du Carrousel far upon the Rue de Rivoli. They are hurrying on as quickly as the intense press permitted them, shouting almost universally, "*A bas les Anarchistes!*" or more commonly, for that was the real rallying cry, "*A bas les Communistes!*" General Courtais, with his staff was riding up and down among the advancing ranks, declaring, as far as I could hear, that the Government was *no longer* in danger, but thanking them for this demonstration of their desire to support it."—*Times*, 19th April.

On the following night (Monday 17,) attacks were made by the Communists on the Treasury, the Hotel de Ville, and several other posts; but they were defeated by the National Guard.

It thus appears that the Provisional Government, before it has been seven weeks in office, is already passed in the career of revolution by a force from below! It is fain to summon the National Guard for its protection, and receive the petitions of the *proletaires* and *ouvriers* from the Champ de Mars, surrounded not by the love of the people, but the bayonets of sixty thousand National Guards grouped around the Hotel de Ville! Insane projects of communism, and the division of all profits among the workmen, without leaving any thing for the profits of stock, have made such progress among them, that in a few weeks the Provisional Government is accused of imitating the conduct of Louis Philippe, because they do not forthwith adopt these without limitation, and are

significantly warned to avoid his fate. It is evident that the destiny of the whole civilized world is wound up with allowing these communist ideas in France to run their course unmolested, and work out their appropriate and inevitable fruits."

## BANK STATISTICS.

### MAINE.

*Condition of the Banks of Maine, 1st May, 1848.—From the Annual Report to the Legislature.—With the Dates of Incorporation.*

Recharter.	Name.	Location.	Capital.	Circulation.	Deposits.
1846.	Augusta Bank,	Augusta,	110,000	100,600	44,200
"	Freemans "	"	50,000	67,200	25,500
"	Granite "	"	75,000	79,500	10,500
"	Eastern "	Bangor,	100,000	114,800	25,700
1847	Kenduskeag "	"	100,000	67,200	30,800
1846	Mercantile "	"	50,000	55,200	16,000
1846	Belfast "	Belfast,	50,000	58,000	12,600
"	Commercial "	Bath,	50,000	50,200	18,900
1847	Lincoln "	"	125,000	84,800	94,800
1846	Sagadahock "	"	50,000	62,200	38,600
1847	Biddeford "	Biddeford,	50,000	53,700	34,400
1846	Brunswick "	Brunswick,	60,000	48,500	12,200
"	Calais "	Calais,	50,000	32,000	15,000
"	Frontier "	Eastport,	75,000	20,800	21,700
"	Lime Rock "	E. Thomaston,	100,000	59,600	52,200
"	Gardiner "	Gardiner,	100,000	74,400	45,300
"	Northern "	Hallowell,	75,000	47,000	22,500
1846	Bank of Cumberland,	Portland,	100,000	99,400	33,100
"	Canal Bank	"	400,000	279,000	122,000
"	Casco "	"	300,000	160,100	94,600
"	Man. and Traders Bank "	"	75,000	54,900	24,200
"	Merchants "	"	150,000	124,200	86,800
"	Manufacturers "	Saco,	100,000	60,700	33,300
"	York bank	"	75,000	69,800	25,300
1847	South Berwick Bank,	S. Berwick,	100,000	45,000	6,000
1846	Androscoggin "	Topsham,	50,000	50,300	21,000
"	Skowhegan "	Skowhegan,	75,000	69,900	5,300
"	Medomac "	Waldoboro',	50,000	60,800	22,700
"	Ticonic "	Waterville,	75,000	60,100	32,300
"	Mariners "	Wiscasset,	50,000	37,600	19,000
"	Thomaston "	Thomaston,	50,000	68,000	83,200
Total 31 Banks,			\$2,920,000	\$2,315,500	\$1,129,700

## RESOURCES.

Bank.	Original Charter.	Specie.	Bank Balances.	Total Resources.	Last Div'd.
Augusta Bank,	Jan. 21, 1814	24,400	2,100	274,300	2
Freemans' "	March 2, 1833	18,800	9,800	147,200	3
Granite "	April 1, 1836	21,300		175,100	5
Eastern "	March 21, 1835	36,500	3,000	254,100	5
Kenduskeag "	July 13, 1847	18,100	12,000	220,400	3
Mercantile "	Feb. 21, 1833	9,600	3,400	123,000	9½
Belfast "	April 1, 1836	10,900	3,300	123,400	5
Commercial "	Feb. 16, 1832	9,200	19,800	120,700	4
Lincoln "	June 16, 1813	15,300	124,100	333,200	5
Sagadahock "	April 1, 1836	13,600	48,600	152,800	4
Biddeford "	July 26, 1847	9,700	10,400	140,200	
Brunswick "	April 1, 1836	9,100	20,400	121,500	4
Calais "	April 1, 1841	6,400	500	103,800	3
Frontier "	April 1, 1836	3,500	2,800	124,300	3
Lime Rock "	April 1, 1836	14,000	30,300	214,200	3½
Gardiner "	Jan. 31, 1814	13,000	18,700	226,100	5
Northern "	March 2, 1833	4,600	8,100	146,800	5
Bank of Cumberland,	March 19, 1835	20,000	15,500	236,000	3½
Canal Bank,	Feb. 19, 1825	69,500	43,200	822,500	3
Casco "	Feb. 18, 1824	21,400	2,400	573,900	3½
Man. and Traders Bank,	Feb. 27, 1832	7,100	100	163,400	4
Merchants "	Feb. 19, 1825	58,200	10,000	379,800	4
Manufacturers "	Feb. 23, 1825	7,900	15,300	200,100	4
York "	April 1, 1831	12,600	18,500	175,500	5
South Berwick "	Jan. 31, 1823	3,600	4,200	155,700	3
Androscoggin "	Feb. 1, 1834	12,800	28,800	126,800	4
Skowhegan "	March 4, 1833	13,000	6,200	151,000	3½
Medomac "	April 1, 1836	17,400	14,100	135,400	4
Ticonic "	April 1, 1831	10,500	20,700	168,100	4
Mariners "	March 21, 1835	8,900	8,100	109,400	4
Thomaston "	Feb. 22, 1825	20,600	74,700	202,400	4
Total 31 Banks,		\$521,500	\$579,100	\$6,601,100	

The charters of the Bank of Bangor, Bank of Westbrook, Central, Franklin, Kenduskeag, \*Lincoln, \*Megunticook and \*South Berwick Banks, expired in October, 1847. Those marked \* have been renewed. Acts were also passed incorporating the Biddeford, Commercial, Kenduskeag and Lewiston Falls banks.

The Bank of Brunswick has been authorised to reduce its stock from \$75,000 to \$60,000, which took place October, 1847.

The Bank Capital of Maine in May, 1847, was \$3,059,000

To which add increase of the following :

Lincoln Bank, Bath,	-	-	-	-	-	\$25,000
Lime Rock Bank, Thomaston,	-	-	-	-	-	50,000
South Berwick Bank,	-	-	-	-	-	50,000
Biddeford Bank, (new)	-	-	-	-	-	50,000—
Total,						\$3,234,000

## Deduct charters expired :

Bank of Bangor, Bangor,	-	-	-	-	-	\$100,000	
Megunticook Bank, Camden,	-	-	-	-	-	49,000	
Franklin Bank, Gardiner,	-	-	-	-	-	50,000	
Central Bank, Hallowell,	-	-	-	-	-	50,000	
Bank of Westbrook,	-	-	-	-	-	50,000	
Bank of Brunswick, reduced,	-	-	-	-	-	15,000	314,000

Bank Capital of 31 Banks, May, 1848, \$2,920,000

The banks have increased their specie one hundred per cent. since May, 1847, and the coin on hand is equal to 22 cents for every dollar of circulation.

*Comparative View of the Banks of Maine—1846, 1847, 1848.*

	37 Banks. May, 1846.	35 Banks. May, 1837.	31 Banks. May, 1848.
<b>Liabilities.</b>			
Capital,	\$3,009,000	\$3,059,000	\$2,920,000
Circulation,	2,240,820	2,536,828	2,315,521
Profits,	117,222	149,403	122,877
Due other Banks,	93,709	46,002	112,955
Deposits,	1,058,526	1,149,505	1,107,387
Do. on interest,	199,121	114,122	22,386
Total,	\$6,718,398	\$7,054,860	\$6,601,126
<b>Resources.</b>	1846.	1847.	1848.
Specie on hand,	\$219,068	\$259,995	\$521,536
Real Estate,	191,714	170,432	129,006
Bills of Maine Banks,	76,319	86,130	99,570
Bills of other Banks,	71,088	92,687	82,783
Bank Balances,	769,095	809,352	579,143
Loans,	5,391,113	5,636,264	5,189,088
Total,	\$6,718,398	\$7,054,860	\$6,601,126

ENGLISH NATIONAL DEBT AND SAVINGS' BANK.—The amount of the National Debt, funded and unfunded, in 1845, was £785,053,022.

The expense annually for interest and management for some years past has been about £29,000,000.

The number of persons being proprietors in the public funds, according to the returns for the year 1843, was 275,117.

The number of Savings' Banks' depositors in Great Britain and Ireland, on the 20th Nov., 1845, was 1,062,930, of whom about 1,041,191 had an average investment not exceeding £28 each.

The rate of interest allowed by Commissioners for Reduction of National Debt, to Trustees of Savings' Banks is £3 5s. per cent. per annum.

## BANKING INSTITUTIONS OF EUROPE.

From the London Bankers' Magazine, May, 1848.

It is not the least perplexing feature in the present posture of continental affairs, that political disquietude is leading, in several quarters, to extreme financial embarrassment, and that this embarrassment does not fail to suggest schemes of resuscitation of the most hazardous complexion. Now it is either fortunate or unfortunate that a climax of this character is not by any means a new event in the history of the continental states. There have been, during the last two hundred years, several examples of extreme confusion and desperate measures in continental finances; and it can hardly be an unprofitable task at this moment, to seek, in the origin and issue of these great dilemmas, some guide and some assistance in the formation of an opinion relative to existing exigencies.

A curious and instructive treatise might be written on the influence of *prodigality* on the progress and the happiness of mankind, and especially on the progress and happiness of the nations of modern Europe, since the invention of printing. It may be laid down as an almost universal maxim, that it is the inevitable tendency of all governments, and above all of arbitrary governments, to run into debt—to spend more year by year than they have the means of paying—and to continue this improvident career, until the force of circumstances compels them to seek relief by the most disgraceful and pernicious expedients of subterfuge and confiscation. The course of events which introduces the final catastrophe is nearly always the same. There is first an enormous accumulation of public debt; there is then a continuous deficit in the ordinary revenue, because the dividends claimed by the state creditor absorbs so large a portion of the receipts of the exchequer, as to leave only a sum quite inadequate to defray the expenses of the civil and military establishments of the state; there is then an attempt to surmount the difficulty by the means of a circulation of paper, either convertible or compulsory; if convertible, it is presently discovered that the device is transitory and insufficient; if compulsory, it becomes equally plain, after a certain interval, that the form of the difficulty has been changed, but its magnitude in no degree diminished; and then the inevitable issue of the delusions is not far distant—the government turns boldly round upon the holders of its inconvertible promises to pay, and gives them the option of a partial or a complete repudiation.

The lapse of time brings with it a tardy cure for the evils thus introduced and thus inflicted; but it would be a most egregious omission to overlook the havoc and the decrepitude which devour every public interest, and intercept every public improvement, during the long and gloomy interval of distrust and jeopardy which intervenes between the destruction of the old, and the creation of the new system of public confidence. It is to the recurrence of fatal visitations like this, in the history of nearly all the continental nations, as much as to natural infelicities and impediments, that we must ascribe, as a main cause, their comparatively feeble

progress in the arts of civilization, and the conveniences of competence.

The same lesson, concluded by the same moral, is to be gathered from the narrative of every attempt which has been made to sustain an extent of transactions and prosperity out of proportion to the *capital* and *industry* of a nation. Errors of this kind have not been so frequent or calamitous as those which have grown out of the extravagance and the necessities of states, because the command over the machine of legislation possessed by the merchant has hardly ever been so paramount as that possessed by the prince. To each, however, alike, the same law has applied, and the same consequence has resulted; and it fairly admits of question whether the utter inefficacy of arbitrary and unnatural abuses of credit, and its exponents, banking and paper circulation, are more vividly exemplified in the catastrophes of a national exchequer, or in the collapses of an unsound and deceptive commerce.

Impressed with these views, we feel that the most appropriate introduction to any outline of the present banking institutions of the continent will be some notice, however brief, of those remarkable events which have already taught mankind—or, which, at least, ought to have taught mankind—the real influence and the true nature of banks of deposit and issue, as instruments in the hands of a needy or a sagacious executive.

We propose, therefore, to say something relative to the financial measures of the Regency, and of the career of the *Caisse d'Escompte*, of 1776, in France, and of the paper money of Austria and Russia.

First then as to the scheme of Law, the Scotchman, under the Regency of the Duke of Orleans.

The public debts of France at the death of Louis XIV. amounted to 3,111 millions *livres tournois*, and the annual interest (*rentes*) to about 86 millions. Of this enormous amount of debt a very large part was due within a short period—so much, it is said, as 700 millions, or one-fourth of the whole. The resources of the exchequer wherewith to meet these liabilities were lamentably insufficient. They were confined to an excess of about eight or nine millions of annual revenue over the annual expenditure. The case, therefore, was one of the most desperate character.

Several of the friends of the Regent advised him to summon the States-General, and under the cloak of their authority, promulgate a decree of national bankruptcy. This, however, was deemed somewhat too flagrant a profligacy, and succour was sought by less potent but not less fatal measures; and out of a host of projects the scheme of Law was honoured by the chief selection.

At this time of day, the world has very generally forgotten everything concerning this notorious man except his name, and the ignominious failure of his grand innovations. In many respects this is unfortunate; for while we do not believe that we have among us any man of mature intellect who could desire for a moment to revive the scenes of the South-Sea bubble, it is not the less certain that the *principles* adopted by Law are still entertained by many educated persons, apparently without the smallest suspicion of that nature, and their historical antecedents.

The substance of Law's philosophy has been so well epitomised, and so admirably exposed by Storch (*Cours d'Economie Politique*. *St. Pe-*

tersburg. 1815. 8vo. *Tome sixieme, p. 144, et seq.*) that we shall not hesitate to present a translation of the passages in point.

“‘Currency,’ said Law, and so say his disciples to this day, ‘is but a sign which represents the riches in circulation. Gold, silver, bronze, leather, notes, shells, and all other substances in use, for valuing or measuring real riches, are simply riches of confidence or of opinion, which form what is called *credit*. A louis d’or, a crown, are *billets*, of which the effigy of the prince is the signature. And as things only receive their value from the purpose to which they are applied, it is indifferent whether we employ a louis d’or or a paper note of the same sum, or even shells, to represent all other values.’

“Is it needful to refute this sophism? It is plain that Law placed in the same class metallic currency and currency of convention; but there is this essential difference between them, that the one has a value direct and necessary, and that the other has not. Thus the first is not a sign, but real riches; the other, on the contrary, is merely a sign. The metallic currency has no need of confidence or of credit to preserve its value; because, it is itself a species of riches, while the fictitious currency exists only by credit, that is to say, by the persuasion that it may be exchanged for metallic currency, or for other real riches.

“Without question, things receive their value only in accordance with the uses to which they are destined; but metallic currency has a double use,—it is used as money, and it is employed as an useful and valuable commodity; but fictitious currency is useful merely as currency.

“Further, gold and silver can only be obtained by long and difficult labour, which implies great cost, or very considerable expenses of production. The material of a fictitious currency, on the contrary, requires almost no labour, and consequently its quantity may be augmented at will. Again, the value of gold and silver is stable as far as any value can well be; the value of paper varies in accordance with popular opinion. It is *not* then indifferent whether we employ a coin or a note to represent all other values.

“Law having based his system upon this false principle, he was led into consequences the most absurd. ‘In a country,’ said he, ‘where there exists no other currency but gold and silver, its riches may be *really* augmented by introducing paper money.’ This consequence there, up to a certain point, Law employed in an indeterminate sense. It is certain that paper money only so far increases the national riches as it replaces a metallic currency, which, disengaged from its employment as money, is applicable to other uses, or to be exchanged against other commodities. Law, on the contrary, supposed that the metallic currency increased by the paper money would continue to circulate as money. He never entertained the apprehension that it was possible there could ever be too much currency in a country; that this superabundance might lead to the exportation or the hoarding of coin, and that the paper increased beyond the wants of the circulation might lose its value. He conceived that the increase of the currency would have no other effect than of lowering the rate of interest, and that it was absorbed by the prosperity of industry, and according to this view he saw in the abundance of paper money only a means of public prosperity. But the rate of interest, as we all know,



does not depend at all on the quantity of money in circulation: and the abundance of *currency* advances industry in the degree only that it is changed into capital.

“‘In a state,’ said Law, ‘where the people are not yet accustomed to credit (as was the case in France at the time in question,) it is needful to be content at first to double the mass of currency, by adding to the coin an equal value in notes. The credit must not exceed the amount of the coin, in order that the notes may be always convertible into coin at the will of the holders.’

“Now it is hardly needful to point out, that in doubling the currency by the emission of paper money its value does not become doubled, and that by such a measure the coin is simply expelled from the circulation. But supposing for a moment that the coin could circulate concurrently with the paper money, and that it lost none of its value, it does not follow, as a consequence, that the notes would be always convertible into coin at the will of the bearer. On what funds are they charged? On all the metallic currency of the nation. But is all the currency in the possession of the prince or of the Bank which issues the notes? No, and even the revenues of the prince which are destined to other purposes, are only a small part of the currency. Does each person consent that his money shall be pledged for the credit of the Bank and be required to pay its notes whenever required? No, certainly not. The credit then is without a foundation, without solvency. That is to say, the credit does not exist. The currency of a nation cannot form the guarantee for the notes which a sovereign or a bank may emit. This guarantee must be found in the treasury of the prince or in the coffers of the Bank, otherwise it is altogether a delusion.

“‘Such credit, however,’ said Law, ‘would be rather a multiplication of the coin than credit, for credit consists in the *excess of the notes over the coin*, and the advantage which is sought consists only in this excess.’ The absurdity of this doctrine is more palpable than any of the former. We have seen that Law regarded an entire nation in the light of a Banking Company, and that his reasoning was nearly as follows:—As a bank is able to extend the issue of its notes beyond the amount of its metallic funds, without the risk of compromising its solvency, a nation is able to do the same. It is only needful, for this purpose, to establish a bank, and to place in it all the currency of the nation, replacing such currency by notes. This project, gigantic and chimerical as it was, did not appear so to Law and the Regent. They believed the execution of the thing to be possible, and they tried it.”

The facts we have now to narrate will abundantly prove the accuracy and truth of these admirable reflections of Storch.

Law commenced his career in 1716, by the establishment of a *Bank of Circulation* at Paris, for the issue of notes payable at sight in coin of the same weight and fineness at that time actually in circulation, and by virtue of this clause he was able to place in circulation a considerable quantity of notes. On the 1st January, 1719, when the concern became the *Banque Royale*, the issues with the public had reached 59 millions of livres. Since 1689, the French coinage has been disgraced by several degradations of the standard, and the comparative fixity of value conferred by the phrase-

ology of these new paper notes was so well appreciated, that for some time they bore a premium of 1 per cent. compared with the metallic part of the circulation.

The success of this first adventure obtained great credit for its founder, and in the following year, 1717, Law was entrusted with the exclusive patents granted under the administration of Cardinal Richelieu to a society styled *La Compagne d'Occident* (the Western Company). The capital of this company was immediately enlarged by the creation of 200,000 shares of 500 livres each (equal to 100,000,000 livres), to be paid for in a species of government security, called *Billets d'Etat*, bearing 4 per cent. interest. The irregularity with which the dividends on these securities had been for some time paid had gradually reduced the market value of a *Billet* of 500 livres down to between 160 and 170 livres. The company however disregarded this depreciation, and received them at their par value. By some arrangement with the Regent the title to the dividends on these 100,000,000 of *Billets* acquired by the company, through the sale of its shares, was paid with great punctuality, and hence the company were enabled to observe a similar promptitude of payment to their own shareholders; and marvellous as it may appear, out of this simple and apparently transparent circumstance, most of the subsequent hallucination seems to have arisen. The public saw that a species of property, worth only 160 livres, had been suddenly rendered worth 500 livres, and they appear to have concluded that this very desirable consequence had been brought about by some occult dexterity of Law and his *Compagnie d'Occident*. Suddenly, therefore, the market price of *all the rest* of the *Billets d'Etat* rose from 160 to 500 livres, and the French public became impatient for some further manifestation of the Scotchman's ingenuity.

Law's next step would seem to have been to represent to the Regent the success of his bank of circulation, to point out that in exchange for his mere promise to pay he had acquired a very respectable quantity of the precious metals, and to suggest to him that it would be quite easy, by modifications of the same scheme, to release the state from the greater part of its debts, by substituting paper for coin as a medium of exchange. The project was listened to with favor, and on the 1st of January, 1719, the whole interest of the bank of circulation was taken into the hands of the king, and the title changed to that of *Banque Royale*.

It is important to mark the first step in the series of direct frauds which now began to succeed each other so rapidly. Hitherto the notes of the bank had been convertible at will into coin of a *certain specified* weight and fineness. This phraseology was now so modified as to bind the issuing party not to pay *livres* of an expressed value, but to pay simply *livres*, leaving open an intentional facility by which the stipulation of cash-payment might be virtually annulled; for it was any day in the power of the government to degrade the mint value of the livre to any conceivable point of insignificance.

It is probable, however, that less in consequence of the discredit arising from this fraudulent alteration, than from the fact of the channels of circulation being already saturated with as much paper as the wants of the country required, the demand for the notes of the *Banque Royale* was exceedingly small. Then it was, Law devised his notorious and gigantic plan of finance.

It was concocted between himself and the regent, that the creditors of the state should be paid off in notes of the Royal Bank; and that a tempting scheme of investment should be opened to the public, so as to absorb all the excessive portion of these monstrous emissions of paper, and prevent a demand upon the bank of specie in exchange for its own notes. In other words, as Storch has well expressed it, the regent bought the shares of this new company with the notes of his own bank; he then borrowed these notes of the company, in order to pay off the national creditors; and finally sold the shares as a means of repaying for the loan of the notes.

This precious scheme was fairly set on foot in May, 1719, by the consolidation of various trading associations, under the management of Law, and the issue of a new patent to him as chief of the *Compagnie des Indes*, (the Indian Company.) This concern immediately issued 50,000 shares of 500 livres each, payable in specie, but sold to the public at a premium of 10 per cent., or at 550 livres, and realising of course a sum of 27,500,000 livres. These 50,000 shares were sought after with the greatest alacrity, and presently rose to a price very greatly beyond their first cost. The company then created 50,000 more shares of 500 livres each, and took care to profit by the rising market, for this time they fixed the price at 1,000 livres, or at 100 per cent. premium.

The mania was now advancing rapidly to its climax. As a pretext for the creation of more shares, the company undertook the most extravagant enterprises. They purchased from government the farm of the tobacco revenue. They then undertook the coinage of money, and finally they became the sole Farmers General of the kingdom, upon the condition of lending to the state 1,600 millions of livres, at 3 per cent. per annum. It was then announced that the company would forthwith pay a dividend of 200 livres upon each of these 500 livres shares—in other words, they declared a dividend of 40 per cent. per annum.

The shares then mounted rapidly to 5,000 livres each, and that was the moment when the fury of the delusion attained its highest pitch. All France was possessed with the demon of *l'agiotage*. Crowds of people from the remotest provinces rushed to Paris, to devote themselves to this new pursuit, and probably the excitement, the chicanery, the charlatanism, the delusion, the extravagance, and the debauchery, of which that capital was the focus during the autumn of 1719, have never been equalled in any other place, nor at any other conjuncture.

By two further creations, making four creations in all, the number of shares was increased to 624,000; and then it was judged that the proper moment had arrived for the payment of the national debts by notes of the *Banque Royale*. The issue nearly in a mass of so prodigious a volume of paper money, conspiring with the insanity of the public mind, drove up the price of the shares representing merely a capital of 500 livres in an untried company, to the astounding price of 10,000 livres each.

Under such circumstances the position of the public creditors thus paid off was unfortunate in the highest degree. A capital of 10,000 livres at 4 per cent. was equal to an annual dividend of 400 livres. This 10,000 livres, they suddenly found themselves in a manner compelled to transfer from the form of a state debt, worth 400 livres a year, into the form of a

trading adventure, intrinsically worth only 500 livres, and upon the most extravagant computation, yielding only 200 livres per annum—or just one-half of their former income.

The reaction now set in. The point had been fully gained beyond which the demand for shares could not be extended. The market had exhausted every impetus which could be given to it by the influx of new classes of purchasers, and henceforward the price of these imaginary riches began to decline rapidly, and, as a natural result, excited a corresponding run upon the Bank for coin in exchange for notes.

The entire system was in imminent peril of exposure, and Law had again recourse to his unscrupulous expedients. The government, by a series of decrees, affected to entertain the most profound contempt for metallic money, and exhorted all good Frenchmen to avoid it as a needless and costly contrivance. These exhortations not succeeding, they adopted a more stringent policy. All payments in silver above 10 livres, and in gold above 300, were prohibited; and by a volley of most arbitrary and capricious edicts, the whole system of the coinage was purposely involved in the most perplexing confusion. The *livre*, for example, was altered first to a 28th, then to a 40th, then to a 60th, then an 80th then a 120th, then a 70th, and finally to a 65th part of a mark of fine silver. By these flagitious means the government hoped to *drive* the people into the use of their paper money. The success, however, was partial; and at last the decree of the 27th February and 11th March, 1720, prohibited the use of metallic money absolutely and in all cases.

Between the 1st January, 1719, and the 1st May, 1720, the Bank had issued notes to the extent of 2,235 millions of livres. Of this enormous sum no less than 1,925 millions were issued in the last four months of 1719. The consequences were of course inevitable; coin had totally disappeared from the country, and the prices of all other articles of subsistence, luxury, and possession increased day by day with a frightful rapidity. Law now discovered that at last there was too much of what he called credit. But as he had no means of lessening the quantity of paper by the redemption of any part of it, he again resorted to the Regent, and on the 21st May, 1720, appeared the famous *arret*, diminishing the nominal value of the paper by one-half. This was the fatal consummation. The world were then entirely undeceived as to the terrible drama which for a twelve-month had filled all Europe with amazement, and converted almost a majority of the French nation into a fraternity of gamblers.

This portentous *arret* was recalled six days afterwards, but it was too late. The alarm had become general, and beggary and despair had already taken possession of the crowds hitherto the victims of a frantic intoxication. Government offered to redeem the notes by the creation of *rentes*, and frightful was the depreciation, that the conversion of the paper money under this offer took place at between 50 and 100 per cent. under the nominal amount. When all was settled, it was found that by these nefarious and scandalous confiscations the capital of the national debt had been reduced by 844½ millions of livres, and its annual interest by 44 millions.

This was the extent of the *direct* loss to the creditors of the state. What was the amount and the diffusion of the indirect and positive for-

features of property, position, happiness, and honour, over the rest of the community, it is utterly impossible to describe.

Specie there was none. It was buried or exported. Confidence there was none. Industry, as a habit and as an art, was despised and almost forgotten. The national treasury was drained of its final farthing; and as far, probably, as a civilized state can ever descend in one year towards a condition of helpless infancy, France had undergone such a declension.

This then is an outline of this gigantic delusion of paper money. We have been the more elaborate in our detail of its progress, because its real history is so little known, the authentic sources of that history are not very accessible, and because, at this moment, it is every way desirable that mankind should not forget lessons that have been bought so dearly.

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## HOUSE OF ROTHSCHILD.

From Chambers' Journal.

It is usual to trace the origin of great families to some gallant exploit, or some lucky accident, which suddenly raised the ancestor of the house from obscurity, and provided him at the same time with a legend to his coat of arms. The representatives of such families are born personages of history; their name, title, and estate—their position in the country—descending to them by inheritance, and so continuing from generation to generation till war or revolution damages or removes the old landmarks of society. But there are other origins which it would be vain to endeavor to arrive at by a similar process; the origins of houses that rise steadily, not suddenly, in their peculiar career, and the success of which is not secured by a single incident, but distributed evenly over the lifetime of one or more generations. In such cases, the germ of prosperity must be sought for in the family mind—in the idiosyncrasy of the race—in the theory by which their conduct in the world is governed; and the first *accident*, which attracts the attention of the vulgar as the origin of their fortune, is merely a *point d'appui* selected by forethought and resolution. The rise of the house of Rothschild presents a very remarkable illustration of this view of a question which will never cease to be interesting, and affords a striking instance of the natural and simple means by which those vast results are obtained which it is customary to ascribe to chance or miracle.

In the middle of the last century there lived, in the town of Frankfort-on-the-Maine, a husband and wife of the Hebrew persuasion, who lavished all their cares upon a son, whom they destined for the profession of a schoolmaster. The boy, whose name was Meyer Anselm Rothschild, and who was born at Frankfort in the year 1743, exhibited such tokens of capacity, that his parents made every effort in their power to give him the advantage of a good education; and with this view he spent some years at Fürth, going through such a curriculum of study as appeared to be proper. The youth, however, had a natural bent towards the study of antiquities; and this led him more especially to the examination of

ancient coins, in the knowledge of which he attained considerable proficiency. Here was one step onwards in the world; for, in after years, his antiquarian researches proved the means of extending and ramifying his connections in society, as well as of opening out to him a source of immediate support. His parents, however, who were noted as pious and upright characters, died when he was yet a boy, in his eleventh year; and on his return to Frankfort, he set himself to learn practically the routine of the counting-house.

After this we find him in Hanover, in the employment of a wealthy banking-house, whose affairs he conducted for several years with care and fidelity; and then we see opening out under his auspices, in his native city, the germ of that mighty business which was destined to act so powerfully upon the governments of Europe. Before establishing his little banking-house, Meyer Anselm Rothschild prepared himself for the adventure by marrying; and his prudent choice, there is no doubt, contributed greatly to his eventual success in the world.

About this time a circumstance is said to have occurred, to which the rise of the Rothschilds from obscurity is ascribed, by those who find it necessary to trace such brilliant effects to romantic and wonderful causes. The Prince of Hesse-Cassel, it seems, in flying from the approach of the republican armies, desired, as he passed through Frankfort, to get rid of a large amount in gold and jewels, in such a way as might leave him a chance of its recovery after the storm had passed by. With this view he sought out the humble money-changer, who consented reluctantly to take charge of the treasure, burying it in a corner of his garden just at the moment when the republican troops entered the gates of the city.—His *own* property he did not conceal, for this would have occasioned a search; and cheerfully sacrificing the less for the preservation of the greater, he re-opened his office as soon as the town was quiet again, and recommenced his daily routine of calm and steady industry. But he knew too well the value of money to allow the gold to lie idle in his garden. He dug it forth from time to time as he could use it to advantage; and, in fine, made such handsome profits upon his capital, that on the duke's return in 1802, he offered to refund the whole, with five per cent. interest. This of course was not accepted. The money was left to fructify for twenty years longer, at the almost nominal interest of two per cent.; and the duke's influence was used, besides, with the allied sovereigns in 1814 to obtain business for "the honest Jew" in the way of raising public loans.

The "honest Jew," unfortunately, died two years before this date, in 1812; but the whole story would appear to be either entirely a romance, or greatly exaggerated. Rothschild must have already been eminent as a banker, or he would hardly have been selected by the Prince of Hesse-Cassel as the depository of a sum amounting, it is said, to £50,000, exclusively of the jewels. At any rate, it was in the year 1801 he was appointed agent to the land-grave, afterwards Elector of Hesse; and in next year (indicated in the story as that of the prince's return) a loan of ten millions was contracted with the Danish court through the house of Rothschild. Before this—and necessarily so no doubt—his knowledge, and the tried rectitude of his conduct, had gained him general confidence;



his wealth had increased, and an enormous extension of the field of his operations had taken place. The fact appears to be, that by this time the banker of Frankfort was more in the habit of rendering assistance than of requiring it; and the grand duke of the day, to whom the Israelites owed their civic and political rights, nominated him a member of the electoral college, expressly as a reward for his generous services to his fellow-citizens.

The personal character of Meyer Anselm Rothschild is not of small consequence in the history of the house—for their dead father may be said to direct to this hour the operations of his children! In every important crisis he is called into their counsels; in every difficult question his judgment is invoked; and when the brothers meet in consultation, the paternal spirit seems to act as president. The explanation of this well-known and most remarkable trait in the family is not difficult to those who are in the habit of penetrating through the veil of the romantic, in order to arrive at the simple realities of life. The elder Rothschild was obviously a man of comprehensive intellect, who did not act on the spur of chance or necessity, but after mature reflection, and on rules distinctly laid down; and he must have brought up his children in a certain theory, which survived his mortal part, and became identified with his memory. This is the only *idolum* conjured by the piety of his descendants. His bearing, we are told, was tranquil and unassuming; and although a devout man, according to his views of religion, his devotion was so completely untinged with bigotry, that in his charities he made no distinction between the Jew and the Christian.

In 1812, Rothschild left to the mighty fortunes, of which his wisdom had laid the foundation, ten children—five sons and five daughters; laying upon them, with his last breath, the injunction of an inviolable union. This is one of the grand principles to which the success of the family may be traced. The command was kept by the sons with religious fidelity. The copartnership in which they were left, remained uninterrupted; and from the moment of their father's death, every proposal of moment was submitted to their joint discussion, and carried out upon an agreed plan, each of the brothers sharing equally in the results. The other great principle of their conduct is one which actuates all prudent men, and is only deserving of special remark in them, from the almost mechanical regularity with which it was acted upon—this was the determination never to run the slightest risk in pursuit of great profits. Their grand object was to see clearly each transaction to its termination, to secure themselves from all accidents that human fore-thought could avert, and to be satisfied with a reasonable and ordinary reward. The plan acted in a twofold manner. By husbanding their capital, they were enabled to take advantage of a thousand recurring commissions, so as to extend their connection day by day; while their habitual caution earned for them a reputation of solidity, which, united with their real wealth, carried their credit to a pitch which would have been dangerous, if not fatal, to less steady intellects. Credit, however, was no snare to them. They affected no master-strokes—no *coups d'état*. They would have used the lamp of Aladdin, not to summon genii, but to light their steps as they toiled on in the path of genii. The only secrets by which they obtained their

choice of innumerable offers of business, were the moderation of their demands—and the punctual fulfilment of their engagements—and the simplicity and clearness of their system. In short, the house of Rothschild became great because its affairs were conducted upon the most perfect system of mercantile tactics, and because the character of its members, partaking largely of that of the original banker of Frankfort, combined many of those amiable qualities which secure popularity without forfeiting respect. They sought to make money by skill and industry, not parsimony; they gave a liberal share of their profits to all whose services were of use in attaining them; and their hand—

“Open as day to melting charity”—

doubled the value of the gift by the grace with which it was presented—the grace impressed upon the external manner by a simple and kindly heart.

We may now mention another circumstance which, on various occasions, must have contributed largely to the mercantile success of the family. Although their real union continued indissoluble, their places of residence were far asunder, each member of the house domiciling himself in a different country. At this moment for instance, Anselm, born in 1773, resides at Frankfort; Solomon, born in 1774, chiefly at Vienna; Charles, born in 1778, at Naples; and James, born in 1792, at Paris.—The fifth brother, Nathan, born in 1777, resided in London, and died at Frankfort in 1837. The house was thus ubiquitous. It was spread like a network over the nations; and it is no wonder that, with all other things considered, its operations upon the money market should at length have been felt tremblingly by every cabinet in Europe. Its wealth in the mean time enabled it to enjoy those advantages of separation without the difficulties of distance. Couriers travelled, and still travel, from brother to brother at the highest speed of the time; and these private envoys of commerce very frequently outstripped, and still outstrip, the public expresses of government.

We have no means of giving anything like the statistics of this remarkable business; but it is stated in the “*Conversations Lexicon*,” that in the space of twelve years from 1813—the period, we may remark, when war had ruined all Europe, and when governments were only able to keep themselves afloat by flinging the financial burden upon posterity—between eleven and twelve hundred millions florins (£110,000,000 to £120,000,000) were raised for the sovereigns of Europe through the agency of this house, partly as loans, and partly as subsidies. Of these, 500,000,000 florins were for England; 120,000,000 for Austria; 100,000,000 for Prussia; 200,000,000 for France; 120,000,000 for Naples; 60,000,000 for Russia; 10,000,000 for some of the German courts; and 30,000,000 for Brazil. And this, it is added, is exclusive “of those sums for the allied courts, of several hundred millions each, which were paid as an indemnity for the war to the French, and likewise of the manifold preceding operations executed by the house as commissioners for different governments, the total amount of which far exceeded the foregoing.” This, however, may already be considered an antiquated authority; for in reality, the vast business of the firm can hardly be said to have commenced

### *House of Rothschild.*

till after the dozen years referred to had expired. Since the year 1826, the house of Rothschild has been the general government bankers of Europe; and if it were possible to compare the two circles of transactions, the former would seem to dwindle into insignificance.

In 1815, the brothers were appointed counsellors of finance to the then Elector of Hesse; and in 1826, by the present elector, privy counsellors of finance. In 1818, they were elected to the royal Prussian privy council of commerce. In Austria, they received, in 1815, the privilege of being hereditary landholders; and in 1822, were ennobled in the same country with the title of baron. The brother established in London was appointed imperial consul, and afterwards consul-general; and in the same year (1822) the same honor was conferred upon the brother resident in Paris. The latter, the Baron James, has the reputation of being the most able financier in France; and it is mainly through his assistance and influence with the other capitalists that railways are now intersecting the length and breadth of the land.

Nathan, the brother who resided in England, left four sons, three of whom rank among the most distinguished aristocracy of the British capital; the fourth, Nathan, residing in Paris. The eldest, Lionel de Rothschild, is privileged, as a British subject, to bear the title of an Austrian baron; his brothers being barons only by courtesy. The second has been recently created a baronet of England, as Sir Anthony de Rothschild; and the third, Baron Meyer, is now high sheriff of Buckinghamshire.—Baron Lionel de Rothschild was invited by the Reform Association to stand as a candidate with Lord John Russell for the representation of London in the present parliament, and was returned third on the list. It will have been observed that a consultation was held by the chancellor of the exchequer with this hereditary financier, before ministers ventured upon their late celebrated letter, authorizing the Bank of England to extend its issues.

Most of the members of this family have married, and live in great splendor here or on the continent; and it must be observed, as something characteristic of the race, that their choice of wives has usually been a good one. In London, where we know them best, the widow of Baron Nathan is held in great esteem for her inexhaustible charity, in the course of which, we observe by the newspapers, she has contributed largely towards the formation of an educational institution for children of the Christian faith. His sister, the lady of Sir Moses Montefiore, is popularly known as a suitable helpmate for her philanthropic partner. The sister of Baron Nathan, widow of the brother of Sir Moses Montefiore, is likewise well known for her liberality, and more especially for the large funds she has bestowed on the establishment of schools for all religious denominations.

But there is another female of this remarkable family whom we must mention in a special manner, and with her name we conclude. She is the widow of the banker of Frankfort, the mother of the five brothers, and grandmother of those flourishing men who are now rising proudly among the aristocracy of Europe. The following notice of this venerable and venerated lady we take from "*Les Matinees du Samedi*" of G. Ben Levi. "In the Jews' street at Frankfort-on-the-Maine, in the midst

of Gothic facades, black copings, and sombre alleys, there is a house of small exterior, distinguished from others by its luxurious neatness, which gives it an appearance of singular cheerfulness and freshness. The brass on the door is polished, the curtains on the window are as white as snow, and the staircase, an unusual thing in the damp atmosphere of this dirty quarter, is always dry and shining.

"The traveller who from curiosity visits this street—a true specimen of the times when the Jews of Frankfort, subjected to the most intolerable vexations, were restricted to this infected quarter—will be induced to stop before the neat and simple house, and perhaps ask, 'Who is that venerable old lady seated in a large arm-chair behind the little shining squares of the window on the first story?' This is the reply every citizen of Frankfort will make:—'In that house dwelt an Israelite merchant, named Meyer Anselm Rothschild. He there acquired a good name, a great fortune, and a numerous offspring; and when he died, the widow declared she would never quit, except for the tomb, the unpretending dwelling which had served as a cradle to that name, that fortune, and those children.'

"Continued prosperity has attended the sons of the pious and modest widow. Their name is become European, their wealth proverbial. They inhabit sumptuous palaces in the most beautiful quarters of Paris, London, Vienna, Naples, and Frankfort; but their mother, persevering in her admirable modesty, has not quitted her comparatively humble house, where those sons come to visit her with respect and reverence, and discharge their duties in memory of their estimable father, thus presenting bright examples for the present time."

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### NATIONAL WEALTH.

*From "The Past, the Present and the Future. By H. C. Carey." Philadelphia, Carey and Hart 1848, 8vo 474 pp.*

*Wealth is power.* The people of the United States have the wealth. That wealth has given them power, dispersed as they were, to do much. Concentration will give them greater wealth, and greater power. Their twenty-one millions produce at this moment a greater quantity of commodities than the people of England, while they build twice as many houses; make twice as many roads; apply thrice the labor to the improvement of land; build four times as many school-houses and churches; and print ten times as many newspapers. The machinery of production is greater than that of England, and all they now want is better machinery of exchange. Let the farmers and planters have this, and population will increase with greater rapidity than ever, for young men will stay at home and marry instead of going to the west; and tens of thousands of mechanics, and of coal and iron miners, will seek the United States; while labourers will come by hundreds of thousands, and every man will furnish a mouth to be fed, instead of, as now, furnishing hands to produce food. They will then be consumers of corn, and wool, and cotton, instead of

producers; customers instead of rivals. Corn and cotton will be produced at less cost of labour, and wages in corn and cotton will be higher: while cloth and iron will be cheaper, and the farmer will cease to have to pray for bad crops in Europe: while the planter will find in the increased demand for his product consequent upon the higher wages of England, and of Europe, a certainty of a good market for all he has to spare. Coffee, and tea, and sugar, will then be paid for in cotton cloths, and the men who make the cloth will be customers to himself and to his brother agriculturists of the north, who will use more cotton than at present; while Brazil and Cuba will want more cloths, because they will have a better market for their sugar. Every diminution in the machinery of exchange tends to give more time for improving the great machine of production, whether for cotton or sugar, wheat, rye, oats or hemp: to increase the quantity produced: to increase the wages of the labourer and the profits of the capitalists, landed or moneyed: and to increase the comfort and happiness of all.

Let but the people of the United States set the example of a determined resistance to the system, and it will be followed by all Europe. French artisans will then seek America and Germany, and France too will have to raise her own food. Her swords will be changed for ploughshares, and her forests will disappear, while her coal mines will be opened. She, too, will learn the art of concentration, and with each step of her progress, the few will become less and the many greater.

The people of the United States owe this to themselves, and to the world. They enjoy a higher degree of happiness than has fallen to the lot of any other nation, and they should desire to aid their fellow men in England, in Ireland, in Germany and in India, and by helping themselves they will help them. As colonies, India and Ireland will remain poor. As independent nations, they will become rich, for they too will insist on the right of placing the consumer by the side of the producer.

Westward, the star of empire wends its way. From the west to the east civilization has gone, and so it has yet to go: from the base of the Alleghenies to the foot of the Himalaya. The measure is one of peaceful and quiet, but determined, and it should be of united, action. It is one that interests

Every man that wishes to cultivate rich lands instead of poor ones:

Every man that would raise tons instead of bushels:

Every father that would wish to see his sons, and his sons' sons settle round him:

Every mother that wishes to see her daughters married:

Every son that would have a wife and a home of his own:

Every daughter that would have a husband:

Every journeyman that would be an employer:

Every labourer that would have a farm and house, or shop, of his own:

Every property-holder that desires higher rents:

Every man that hates crime and loves virtue:

Every man that loves literature and art:

Every man that loves freedom:

Every man that loves *the people* of England: or of France:

Every man that loves Ireland:

Every man that feels for India:

Every man that loves his old fatherland, Germany:

Every man that loves free trade:

Every man that loves peace:

Every man that loves his fellow man:

Every man that loves his Creator:

Every man that desires that the great law of Christ, "Do unto others as ye would that others should do unto you," should become universally operative.

It is the great work reserved for the people of these United States, and they have the power to accomplish it. It should be entered upon with the same feeling that animated the Puritans of old: the same that gave confidence to the men who, seventy years since, signed the Declaration of Independence. It should be preceded by a return to peace with an unfortunate neighbor, towards whom they now occupy the position of a strong man pummeling a weak one already on his back, to make him cry enough. That war has already cost more than would have given to every county in the Union a place for exchanging labour, corn, and cotton, or wool, or iron ore, for cotton or woollen cloth, or iron: and if it continue another year, it will cost at least as much more. They have too much land already. They want but concentration to enable them to become both rich and strong.

For two centuries past, the world has been perpetually disturbed by the wars of England and France, for ships, colonies, and commerce. Had France had no colonies, there would, probably, have been no wars of the French Revolution after the failure of the invasion of 1792. But for them, France would have been permitted quietly to settle down, in which case Italy, and Spain, Holland, Germany, and Russia would have escaped the war of twenty years, and France might now be rich, powerful, and free. The system of both nations is one of perpetual interference. At one time, Poland is to be excited: at another, she is to be abandoned. At one time Greece is to be aided: at another, Syria is to be delivered over to the tender mercies of the Egyptian pacha: at a third, China is to be made to buy opium, and to open her ports to the cloths of the men who have ruined the poor fashioners of India. At one moment, the affairs of Spain require the interposition of England: at the next, we see her fleets in Portugal, dictating terms to people driven by oppression to revolt. At another, France governs Spain, and the country is made a scene of murderous war, while the court is one of endless intrigue, having for its object the promotion of the interests—not of France, but—of the family of Louis Philippe: all anxious, as French princes have at all times been, for *appanages* at home, and thrones abroad. For centuries has the European world been agitated by the princes of the houses of Valois and Bourbon, and those of the house of Orleans are well disposed to follow their example. For two years past has all commerce with the La Plata been interdicted, because England and France chose to interfere in affairs that were not their own. They have failed, and the country is worse by two years' wars and poverty. Three years since, the affairs of Texas claimed their attention. Now Switzerland is menaced, while Italy, fearing France, looks to England. But a short time since, the people of the United States



were to be *compelled* to join in a crusade against the slave trade; which would soon cease to exist, were England and France to permit the world to remain at peace. At every difference of opinion as to rights, they are menaced with the destruction of their towns and cities, and the seizure of their ships. At every quarrel, whether to maintain the trade in opium, or to put down that in slaves, their trade is interrupted. The two nations are every where seen meddling with everybody's business and neglecting their own.

They are the great bullies of the world. Italy would now be strong to help herself, but for the wars of France and England. So would Spain and Germany. Wars made for private ends are afterwards carried on for "the public good," and in defence of "the liberties of Europe," which will take care of themselves whenever the armies and fleets of England and France shall disappear, and not until then. Both countries should be placed under bonds to keep the peace; and the peace-loving portions of the earth can take those bonds when they will. Both should be made to turn their attention homeward: to raise their own food: to feed their starving artisans: to improve their own morals: to free their own people from the thousand restrictions under which they labour: and thus would they set to the world an example far more worthy to be followed than when they are seen preaching liberty and practising oppression: paying for slaves in the West Indies, and making slaves in the East by means of taxes on salt for the payment of dividends on India stock. Nations that pursue the natural system of concentration, will find that the first of all rules is the simple one: "Let every man mind his own business." The people of the United States possess the power of compelling both nations to follow this rule: for if they determine on the course that is essential to their prosperity, it will be followed throughout Europe: and then fleets and armies must be abandoned, and colonies must be left to exercise the right of self-government.

The "true grandeur of nations" consists in the perfectoin of the self-defensive power: and that is now possessed by the United States in a degree greater than any other nation of the world. They have laid the foundation of a pyramid whose base is a million of square miles, occupied by twenty-one millions of people; and filled with little communities, each with its little school-house, its church, and its newspaper. Each of those little communities occupies space sufficient for a large one, with its academy, or its college, its numerous churches, its newspapers, its bookstores, and its libraries, all aiding to give to the structure a height proportioned to its base: and that height may be obtained whenever the planters and farmers of the Union shall determine to exercise the right peaceably to defend themselves. Until they shall do so, concentration cannot take place. Until they shall do so, their people must continue to waste their labour upon poor soils, yeilding bushels, while neglecting rich ones that would yield tons. Whenever they shall do so, they will at once take the place to which they are entitled by two centuries of peaceful action, in which it is difficult to discover a single important error until the occasion of the present war: and we cannot but hope that they will speedily exhibit to the world a specimen of real greatness, in abandoning a contest for land that they do not want, with an enemy incapable of self-defence.

They are strong, and they can afford to be generous. With England and with France lies the great contest, and it is for the exercise of power over their own actions: for the exercise of the right to stay at home and become rich by the cultivation of rich soils, in preference to flying from home to remain poor while cultivating poor ones: and every dollar spent in the present contest tends to lessen the power vigorously to maintain that one which is to result in the emancipation of the world from the tyranny of fleets and armies, and the establishment of perfect peace. The truest grandeur consists in the most perfect power over ourselves, our thoughts, and actions; and in conceding to all men the exercise of the same powers that we desire for ourselves. The people of the United States do not exercise that power: but they may do so, and we trust they will. Their position is one of surpassing strength. They are twenty-one millions, among whom there is universal activity and intelligence. Of these, seven hundred and fifty thousand are the product of the present year, and soon the addition of a year will reach a million. They have more school-houses and more scholars in them, more churches and more hearers in them, more public libraries and more books in them, than any other nation of the world. They have more and better printing presses, and they consume more paper; and their authors are better paid.\* They have a mercantile marine that can perform more service in a given time than any other. Their machinery of manufacture now takes precedence of that of England. They have railroads, canals, and magnetic telegraphs, over a surface of five hundred millions of acres. They have twenty millions of sheep, five millions of horses and mules, fifteen millions of cattle, and thirty millions of hogs.† They raise a thousand millions of bushels of food for man, and almost a thousand millions of pounds of cotton, and this vast product can be doubled by the application of the same quantity of labour, whenever they shall determine that *they will* make their own cloth, and their own iron, and by thus placing the consumer by the side of the producer, enable the latter to cultivate rich soils instead of poor ones. So soon as they shall have thus determined, thousands of tons of the surplus machinery of England, and tens of thousands of her artisans, will be seen leaving her shores to place themselves where food and cotton together grow: and where liberal and constant wages will be the reward of moderate but steady labour.

England presents to view a pyramid, but an inverted one, the apex of which rests upon a vast population, a portion of which is uninstructed to a degree almost incredible, while another large portion is instructed in a very small degree; and the whole are wanting in the activity which in the United States results from perfect self-government. Piled on these is a vast poor-house establishment with its host of officers. On this again stands Manchester; and on this rests a large mass of great merchants and

\*We except from this the authors of such trash as "*Le Juif Errant*," and of histories whose object is to teach that "glory" is the great object of life, and that it is to be sought at any sacrifice of honour or honesty. Such writers are better paid in France.

†Great Britain and Ireland, with a population of twenty-eight millions, have forty millions of sheep, two millions of horses, and five millions of cattle. France, with a population of thirty-five millions, has thirty millions of sheep, three millions of horses, seven millions of cattle, and five millions of hogs.

bankers, trading largely on credit and but little on capital. On the top of this rest numerous great corporations making large dividends out of *Irish rents*, and taxes on the coal consumed by the artisans of London: or the salt eaten by the unfortunate people of India: or the proceeds of high interest charged to unhappy traders and railroad speculators seduced, by liberal offers of loans at low interest, to risk their fortunes and their happiness upon the chance of an approach towards steadiness in the action of a great bank, that is governed by no principle but that of momentary expediency.\* On top of this, we see a great Church collecting millions to be divided among archbishops, bishops, prebends, and rectors, while curates do the work and starve on servants wages. Next, we see a great aristocracy, with vast possessions cultivated by men who live in mud hovels and earn nine shillings a week; and mortgages so heavy that record offices are held in small esteem and deemed to be undesirable. Piled on this, Pelion upon Ossa, we have a fleet and army, and colonies, requiring a hundred millions of dollars annually for their support. Over all, stand the ministers and great officers of state, surrounded by hosts of chancellors and ex-chancellors, pensioners, sinecurists, and recipients of the public moneys, of all grades and conditions of life; from the great Duke himself down to the tide-waiter and letter-sorter.

The machine is top-heavy. It rests on the shoulders of the very poor: upon those of the little children and poor women of Manchester: and at the slightest disturbance there, it will topple over.† Such will be the case when the people of the United States shall determine that *they will place*

\*Five weeks ago, when money was selling in the market at 6 per cent., the managers of the Bank of England, having a great mass of that commodity accumulating on their hands belonging to the public, notwithstanding that their published weekly returns proclaimed that the value of money was steadily increasing, commenced underselling their rivals in the market, and offered their commodity at five per cent. The immediate effect of this extra issue was what is called "relief;" money was easier, traders obtained discounts rather more freely, and at a lower rate than before, property moved, and persons were tempted to accept contracts which they would otherwise have rejected. In the meanwhile, the weekly bank returns went on announcing that the stock of gold was diminishing, and that the natural value of money was enhancing, and such bystanders as ourselves awaited in breathless expectation the inevitable result of this terrific proceeding on the part of the managers of the bank. It came—those managers met one morning last week, and found that they had got no more money than they should want for paying the public dividends. They turned round in an instant upon the unfortunates whom they had been pampering with treacherous nourishment (as they had often done before and whom they had led and lulled into a fatal security, and, by a contraction and denial of loans more sudden, more perfidious, and more remorseless than we ever before heard of, (but indispensably necessary to save themselves from the consequences of the criminal act of which they had been previously guilty,) plunged thousands into distress and hundreds into ruin—*Examiner*, October, 1847.

†The extreme unsoundness of the system is proved by the apprehensions felt by the government on every occasion of stoppage of work. The *Britannia*, of October 23, says, "The state of the manufacturing districts is so alarming that government, though it refuses all measures of relief, is providing a strong military force to keep the peace. At Carlisle the local authorities have received warrants from Sir George Grey, the Home Secretary, authorizing them to call and enroll the pensioners of the district; and a strong force of cavalry is now stationed at Newbridge. No one supposes that the winter can be got through, should the distress not be mitigated, without some desperate rioting."

the consumer of food by the side of the producer of food and cotton. That done, of all this vast mass little will remain but the land and the mortgages: and then machinery will become, as it has already somewhat done, superabundant, and much of it will find its way to America and Ireland, India and Germany. Mechanics and coal miners will become superabundant, and many will find their way to the United States. Capital, no longer needed in manufactures, will go upon the land; and food will become more abundant: and labour in agriculture will be more and more needed, and better paid: because land-owners will find that they must offer bounties to men to stay, instead of granting premiums to those who will carry them into slavery in Van Diemen's land and Norfolk Island. Systematic colonization will be forgotten. Landlords will dispense with great farmers, and manage their affairs themselves: and the return to capital will rise, because its employment will be directed by mind. Great farms will be broken into little farms, and little farms will require cottages: and land will be better cultivated, and pay more rent. Land will pay more taxes, and labour less: and landlords will cease to want fleets, or armies or colonies; because they will dislike taxes. Landlords' sons will have to work, and landlords' properties will have to be divided. Tithes will disappear. The price of perpetual annuities will fall, and the government will be unable to make loans.\* Great bankers will break and little ones will take their place. The great will become less, and the little will become greater and stronger; and all will become happier. Wealth will grow more rapidly, and wages will advance. Great corporations will die, and little unions will start into existence. Ireland and India and Germany will be permitted to eat their own food, and make their own cloth; and England will sell them steam-engines and power-looms, while for a time she will send the people of the United States the finer articles that they will want in vast abundance when they shall have acquired power to make the commoner ones for themselves.

The people of England are the friends of the people of the United States. They are part and parcel of themselves. To the aristocracy, landed, or moneyed, the latter owe nothing. *They* sent slaves, and because the people of the United States fed and clothed them well, and caused their numbers to increase, they branded them as "slave breeders." They seized the vessels of the United States by thousands, ruining their owners, and then reproached them as "bankrupts." They forced the people to scatter to the west, and thus forced loans upon them to make roads: then ruined them, and reproached them with "repudiation." Time after time they have filled the western world with ruin, and ruin has invariably been followed by invective. *To them*, there is no friendship due. Their system is unsound, unsteady, and ruinous to the world, and to themselves; and so will it continue until the many shall have acquired more power, and the few shall exercise less. Their power hangs on fleets, and armies, and colonies: and when these shall have passed away, order will succeed disorder, and the world may hope for peace.

\*This operation is now going on in Germany as well as in England. The Austrian government has just prohibited the sale of railroad shares, in hopes of compelling capitalists to make investments in the worthless stock of a government by which repudiation has been repeatedly resorted to, to the ruin of all who have trusted it. The day of Austrian loans and power is over.

With each step in this progress, England will acquire the power of self-protection, which now has no existence. Her policy is dependent upon that of foreign nations, and hence the endless waste upon diplomacy. Foreign tariffs affright her merchants, and compel the repeal of her corn laws. The fear of losing her supplies of cotton compels the abandonment of the right of search, and the settlement of boundary questions. She has no fixed system, and she can have none: she can exercise in no degree the power of self-government, while she relies on poor soils abroad in preference to rich ones at home. At this moment her whole policy is dependent on the action of the United States. If they determine that they will eat their own food, and work up their own cotton, and smelt their own iron ore, the downfall of the system of ships, commerce, and colonies is as certain to take place as it is now certain that the navigation and corn laws have been repealed. In confirmation of this view we take the following passage from an English journal:

"It is a great mistake to date trading on reciprocity principles at the treaties of 1824; a still greater to suppose that the accession to these treaties by Great Britain was voluntary, and that she had it in her power to resist them. The most indisputable fact is, that these treaties have each in their turn been as much forced upon us—that we were as much driven into them—as if they had been dictated at the triumphant cannon's mouth. In 1815, after the long, exhausting, desolating war with Bonaparte, Europe was only too eager to obtain any peace; nations and governments forbade longer destruction, bloodshed, and misery; and then in the peace concluded between Great Britain and America, the United States, by the articles which placed British and American shipping on terms of equality with each other, exacted such a recognition and establishment of the principles of reciprocity, that, whether they demanded it sooner or later, the concession of them could no longer be refused to other nations. In fact, the United States, by thus setting the example in this instance, as much abrogated our general navigation laws, as, by resisting the search on the high seas, they have dealt the death-blow to that vexatious and presumptuous claim. For it was, and still is, becoming every day more and more apparent, that Great Britain, as a commercial nation, cannot wage a war of custom-houses. To her, international retaliation of duties would be more fatal than defeat at Trafalgar and Waterloo. Wherefore, the threat of custom-house hostility repealed our navigation laws—though our legislature went through the form of doing so, and though Mr. Huskisson affected to originate it in 1824 in the House of Commons, as a necessary and prudential measure, when he announced the orders in council and the tariff on which the government had decided."\*

France presents to view another great inverted pyramid, resting on the shoulders of the miserable people of Paris, one-half of whom receive alms, in the form of bread tickets, when crops are short: and the equally miserable owners of millions of acres and half acres, cultivated by men who scarcely obtain the means of subsistence: and the more miserable operatives of Lyons and Sedan. The part which stands high in air, and which should be the bottom, is broad; and there we see the King busily employ-

\*New Quarterly Review, p. 146, vol. 6, 1845.

ed in raising materials from below for the purpose of widening the top; creating *appanages* and vice-royalties for his children, while all around are watching for the time when the whole machine shall topple over, burying in its ruins, king, princesses, *appanages*, vice-royalties, and all other of the bad machinery now so extensively in use. Let but the people of the United States determine that *they will* place the consumer by the side of the producer, and thousands of the most useful men in that country: great and little capitalists, and the best operatives of all descriptions: will transfer themselves to the place where labour is in demand, wages are high, and food is abundant.\* Then will it become necessary to offer them inducements to stay at home: then will the people acquire power: and then may the world see an approach to peace, for the people everywhere love peace. Their rulers alone love war, and war abounds where man is cheap and food is dear. (*Written in 1847.*)

France and England are both hollow. With both power is apparent, not real, and both must lay down their arms when other nations shall determine that *they will consume* their own food, and that France and England *shall raise their own*. Wealth alone gives power. France is poor. England is apparently very rich, but far less so than she appears to be; and no better evidence of the fact need be desired than is to be found in the general ruin caused by the appropriation of a few millions' worth of land, and corn, and coal, and iron ore, to the purpose of making roads. She dams up capital, and when it accumulates to the amount of eight or ten millions she fancies herself very rich, and commences the investment of twenty or thirty millions: and when the work is half done, half the merchants and traders are ruined: and half the operatives thrown out of work, and obliged to expend their little savings in the effort to obtain food.† Such has been the course of events in every cycle of seven years for the last half century, and such will it continue to be until she shall be compelled to raise her own food. Should the United States take the lead in the measures necessary to this end, by adopting vigorous measures for the specific end of enabling themselves to dispense with the present cumbrous and wasteful machinery of exchange; adopting for it the cheap substitute that would be afforded by placing the consumer side by side with the producer: the close of *another cycle of seven years* would almost see the termination of the system. With its termination trade may become free: absolutely free: for in a natural state of things, those who possess abundant supplies of food, the great raw material of manufacture, can need no protection.

With each step in the progress towards that point, the people of Germany and Russia, and Spain, and Italy, and Ireland, will acquire power to consume more and more the food yielded by their own soil, on the ground on which it is produced; and with each they will acquire power

\*"Workmen! we who are now tied, abused, chained—who have no rights, are not cared for; no work, no bread, no future, as at present—let us go and seek elsewhere, for the Providence or nature which offers us all the treasures of their love and beneficence. Let us go and make the foundations of Icaria on the American land."—*Le Populaire*.

† The *Times* says, that "England is poor." England is very much less rich than the world is accustomed to believe. She wastes too much to be very rich.

consume more clothing, for which they will require more cotton, to be paid for in those commodities for which their soils and climates are best fitted. With each, exchanges will be made more and more directly between the consumer and the producer, and the existing barbarous system of sending cotton to Manchester to be there spun for Germany and Russia; and food from Germany and Russia to be eaten by those who spin it; will tend to pass away. With each, the planter will produce his cotton at less cost of labour, and the cost of exchanging for the products of other portions of the world will diminish. With each, the power of the peace-loving portions of the world will grow, while that of the war-making portions will decline; and with each, the power of man everywhere over land and over himself, his thoughts, his feelings, and his actions, will advance, with a steady tendency towards the establishment of perfect self-government. To the cotton planter this change is almost indispensable. So long as England shall continue to be the chief distributor of his great product, he can know nothing of self-government, for he must continue to be subject to the periodical revulsions with which that country is afflicted. At the present moment numerous mills are closed, not for want of orders, but for want of means to execute them, and his cotton falls heavily in price because of his dependence upon English cotton manufacturers who are themselves dependent on the movements of English banks and English politicians. The intervention of England between the producer in America and the consumers of the continent constitutes a cumbrous, costly, and wasteful portion of the machinery of exchange, and the substitution of direct intercourse with the consumer would be attended with advantage similar to that which results from replacing the cart or wagon by the railroad car. The more perfect the machinery the less is the friction, and the greater the power.

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## LIFE INSURANCE.

### A DISHONESTY IN A HIGH WALK.

THE dishonest practice of tradesmen giving gratuities to the servants of their customers, is familiarly known to the public, and has often been reprobated as it deserves. But it is not generally known that a practice precisely similar exists amongst life-assurance offices, where the bribed parties are not poor menials, with presumably obscure ideas of what is conscientious and right, but men belonging to one of the most liberal of professions, that of the law, and who might be expected to see all such matters in the clearest light.

Life-assurance, while generally designed for one of the most laudable of objects—the succour of those who might otherwise be left by the death of a father, husband, or other near relation in poverty—has become, in some degree, a business of competition. The joint-stock offices have a clear trading interest, as they aim at realising a profit for the shareholders; and the mutually assuring offices are also interested in having large business, as, when it is large, it is conducted more cheaply, and the risks



are the more equally diffused. Hence the system of keen advertising pursued by all these establishments. It is very well to seek to obtain business by such fair means. indeed it is more than justifiable, for the public is still far from being generally aware of the great benefits which life-assurance is calculated to confer. But a large majority of the offices go beyond fair means; they hold forth the promise of a handsome commission to solicitors and others who bring them business, most of them giving 5 per cent. on the first and every subsequent annual premium, and several of them giving even 10 per cent. on the first, and 5 per cent. on every subsequent annual premium. Now, what is the real nature of this disbursement? It may be considered, we think, first, with respect to its special effect on the offices; and, secondly, with respect to its bearing on the public.

In the case of a joint-stock company—which is the nature of most life-assurance offices—it is simply a burden upon profits, and in that respect it calls for no remark. In the case of mutually assuring societies it is totally different, being then a subtraction from the funds which ought to stand for the benefit of the assured parties, and of which any surplus that arises ought to be divisible amongst them alone. If it could be said that the persons already assured were merely giving of their means to induce others to do as they have done—to perform one of the most respectable moral acts of which a person having others dependent upon him is capable—it might be susceptible of some justification; but the purpose of the payment is not of this nature; it is for no propagandism in behalf of life-assurance, but only to induce a particular choice of their office as distinguished from others. It is evident that men in their circumstances are mispending their money in devoting their funds to such a purpose; and it is equally clear that, in doing so, they are doing that which they have no right to attempt doing in any circumstances; namely, holding forth a bribe to tempt men from the path of duty.

That 'commission' is really of this character, there cannot be the shade of a doubt. When an individual designs to assure a sum upon his life, he is obviously concerned to select that office where the greatest advantages are to be obtained, and more especially to avoid those (and they are numerous) where comparatively small benefits are likely to accrue. Regarding his solicitor as a man of experience, he consults him about the selection of the best office, or puts the business at once into his hands as a piece of professional employment. Here it clearly is of the greatest importance for the interests of the assuring party that his agent or consultee should be an unbiassed man; but can we be assured that he really is so, if three-fourths of the life-assurance offices are holding him forth bribes of various amount, to induce him to drag the victim to their especial altar? Certainly, although honesty in such circumstances is not impossible, it is far from likely, and can in no measure be certain. The system does all it can to make rogues, and we have no security against their not being made. We must presume the intending assurer to be ignorant of this profligate practice. He relies implicitly on his agent, as he has a good right to do, seeing that he employs him to give an honest counsel. He expects that that office which will give most liberally to his widow and orphans is to be selected, according to the conscientious judgment of his counsellor. But what, on the contrary, is done? Why, he

is, perhaps, led to an office which does not hold forth any particular advantages to him (the assurer,) but which contents itself with only holding forth some advantages to his agent. He is, in short, betrayed by the paltry cupidity of that man (trust-worthy, perhaps, in all other circumstances) into a transaction which, very probably, is just the least advantageous that he could have effected in the circumstances.

To give an idea of how the interests of an individual may be betrayed in this manner, we take the following example from Mr. Babbage's *Comparative View of Various Institutions for Assurance of Lives* (1826.) 'A clergyman, in order to provide at his death for a numerous family, succeeded, by great economy, in saving from his income sufficient to assure his life for £2000; being unacquainted with business, he unfortunately trusted the choice of the office at which he assured to the attorney whom he had been in the habit of employing. The attorney effected the policy at one of those offices which make no return of any part of the profits, and which, notwithstanding, charge the same prices as the Equitable. During about twenty years, he received a commission of five per cent. from the office [realising in all probably £50,] which was paid out of the annual sum, with difficulty spared from the scanty income of his employer: and on the death of the clergyman, his seven surviving orphans received from the office the original sum assured, £2000, instead of about £3200, which they might have received from the Equitable, had not the bribe held out by the other office been too great for the integrity of their father's solicitor.' We can add another illustration, in which the honest course was taken; and we are the more happy to do so, as it reflects credit on a profession which is here presented in an unpleasing light. A solicitor of our acquaintance was employed to effect an assurance for £2000 about the year 1820. He adopted a non-bribing office, which divided profits among the assured, instead of going to a certain other one in his eye, where he would have secured a 'commission' of ten guineas, but which did not divide profits. The premiums were somewhat different, but not to a great extent, at least not nearly so great as the results would have been at the end of seventeen years—the currency of the transaction—when the representatives of the assuring party got *seven hundred pounds additional*.

Unquestionably, the heavier part of this 'dishonesty in a high walk' lies at the door of the offices which hold forth the temptation; and for this reason, we present a list of what we believe to constitute nearly the whole of the honorable minority which reject such means of obtaining business, believing that we are not only thus putting a deserved, though negative stigma upon a corrupt practice, but helping to guard the public against a betrayal of its interests. The following are non-bribing offices:—In London, the Equitable, Amicable, London Life Association, Mutual Assurance, Rock, and Metropolitan—all being mutual offices excepting the two last, which have an admixture of the proprietary system: in Edinburgh, the Scottish Provident, and the Scottish Amicable—all of these last being mutually-assuring and profit-dividing societies.\*

\*We shall be happy to publish, in a conspicuous manner, the names of any other life-assurance offices which either do not now give bribes for business, or shall hereafter abandon the practice.

We conclude with some remarks by Mr. De Morgan, to which every honorable mind must respond. 'All who have written on this subject of late years have attacked this *bribe*, for such it is; but they have directed all their censure upon the offices, as if they were the only parties to blame. If indeed the bribe had been offered to the needy and ignorant only, this partial distribution of blame might have been allowed; but, when the parties who receive the bribe are men of education, and moving in those professions which bring the successful to affluence, I do not see the justice of allowing them to escape. I have little doubt that an increasing sense of right and wrong will banish this unworthy practice, either by failure of givers or receivers. A barrister cannot offer commission on the briefs which he brings, nor can a physician pay an apothecary for his recommendation; a jury never receives a hint that the plaintiff will give commission on the damages which they award; and the time will come when the offer of money to a person, whose unbiassed opinion is already the property of another, will be deemed what it really is; namely, bribery and corruption. It is one among many proofs how low is the standard of collective morality, and how easy it is for honorable individuals to do in concert that from which they would separately shrink.'

## LOSS IS LOSS.

In connexion with the above subject, it may be well here to advert to a very prevalent error of the popular mind with regard to insurance.—When any great fire takes place, such as those which have lately happened in Liverpool and Manchester, the paragraphist usually concludes his account of it with the consoling words, 'We are happy to learn that the property was insured to the amount of £30,000, which will nearly cover the whole loss!' The reader, previously much distressed by the details of the event, now cheers up, and goes on to the next paragraph with a re-assured mind, thinking to himself, 'Well, after all, there's no loss; that's a blessing!' So, also, when it is stated that the average loss of British shipping per annum reaches about two and a half millions, and is attended by the average loss of fifteen hundred lives, the public mourns for the poor men who have perished in the cause of mercantile enterprise, but takes complacent views of the pecuniary part of the calamity, for 'all that comes upon the underwriters, you know.' Because the owners of the property are not the losers, because the loss comes upon a company of insurers, it is supposed by the bulk of the public to be no loss at all. Now the fact is, that the houses burnt, and the ships sunk or dashed to pieces, with all the goods concerned in both instances, are as much *lost* in the one case as the other. The loss is not concentrated, as it would have been in early times, upon one or a few persons, but it is fully and unequivocally a loss nevertheless—that is, a destruction of the products of human industry, and a diminution of the possessions of the community; the only difference is, in its being diffused over a large surface. How truly loss is loss to insurers, could, we believe, be most pathetically shown in the state of several companies for sea-risks at the

present time, suffering, as they are, from the unusual amount of maritime disaster which has marked the last three years. It is easy, with a little reflection, to see how the loss of capital to the shareholders in such concerns will tell upon the public interest, as all diminutions of the capital of a country are so much taken from the means of employing labor and producing further wealth. And it is equally easy to see how even the owners of shipping, however fully they may insure, have an interest in minimising loss at sea, as the smaller the average of such loss, the smaller must be the premiums required for insuring sea property. The losses, therefore, of marine and fire insurance companies, are losses in which the public is reasonably called to sympathise, and which it is their interest to see reduced to the smallest possible amount.—*Chambers' Journal*.

## CHINESE CURRENCY.

### BANK NOTES INVENTED BY THE CHINESE.

From Chambers' Journal, published at Edenburg, 1848.

The learned orientalist, Klaproth, in his 'Memoirs Relative to Asia,' gives a curious and interesting account of the origin of paper-money, which he traces to the Chinese.\* It must be premised, that the Chinese annals are more complete than those of any other nation, because the keeping of them has always been a state affair, and not left to the industry of private individuals; and from these authentic records Klaproth translates the following facts:—The earliest trace of a currency having a nominal instead of a real value, occurs during the reign of the emperor *Ou-ti*, in the year 119 before the Christian era. It appears that the treasury of that sovereign got into so low a condition, that the expenses of the state exceeded its revenues. He was fortunate, however, in the services of a financial minister, whose genius planned and executed a system of nominal currency. This consisted of pieces of deer-skin, about a foot square, ornamented with paintings and highly-wrought borders.—These represented the value of 40,000 deniers (about £12 sterling,) but were only current amongst the grandees and at court. Out of them a revenue was collected in a manner characteristic of the people:—from time immemorial, every person who is admitted into the presence of the 'Sun of Heaven' covers his face with a screen, or small tablet, for he is supposed to be quite unable to bear the blazing light of the emperor's countenance; and, at the time we refer to, whoever was honoured with invitations to his repasts and entertainments, was obliged to cover his screen with one of these *phi-pi*, or 'value in skins,' which he was condescendingly allowed to leave behind him. This plan, once set on foot,

\* 'Sur l'Origine du Papier-Monnaie.'—Memoires Relatifs a l'Asie, par M. J. Klaproth, vol. ii. p. 375.

appears to have been often followed in after-years. We find between, and for some time subsequently to, the years 605–617, disorder prevalent in China to such an extent, that the country was nearly without a coinage, and all sorts of things were used as money; such as round pieces of iron, clothes cut up, and even pieces of pasteboard; but it is not till nearly three centuries after, that the history of regular paper-money commences. Hian-tsoung, of the Thang dynasty, whose reign commenced A. D. 807, was the founder of banks of deposit and issue; for he obliged rich families and merchants who arrived in the capital to deposit their valuables and goods in the public treasuries, for which paper receipts or acknowledgments were given, and made current under the name of *fey-thsian*, or 'voluntary money.' Thai-tson, who reigned in 960, adopted the same plan.

Between the years 997 and 1022, we find that the paper-money system was established in China, such as is at present followed in Europe—that is to say, the issue of credit papers as currency, without being guaranteed by any substantial pledge or mortgage whatever. These primitive bank-notes were called *tchi-tsi*, or 'coupons.' From that time to the present, bank-notes have been in use in China under various names—those current at present being called *pao-tchhao*, or 'precious paper-money.' Thus the Chinese have had a banking system, with all its attendant advantages and evils, in full operation at a far earlier period than any other nation: and bankrupts, forgers, and monetary crises, have been rife in China for ages. We learn from Gutzlaff\* that, a few years ago, some new financial arrangements were made, with a view to putting the paper currency on a better footing, but they were much impeded by a low state of public and private credit. Banks, both of deposit and issue, exist in every large Chinese town, conducted by companies or private individuals, who issue *pian-thsian*, or cheques—the 'precious paper-money' being only circulated by the government. Bills of Exchange are not very often used, on account of a prevalent bad faith in commercial transactions.

De Gulgnes, in his work on China, gives an engraving of a Chinese bank-note. It is a square paper, having on one side an inscription which states the amount it is issued for (1000 deniers, or 'cash,') and that it is a note of the emperor Zong-King, of the Ming dynasty. On the other side, the Chinese equivalent of the following sentence is printed:—'At the petition of the treasury board, it is ordained that the paper-money thus marked with the seal of the imperial dynasty of the Mings, shall have currency, and be used in all respects as if it were copper-money.—Whoever disobeys, will be beheaded!'

The researches, then, of M. Klaproth prove that, besides the discovery of the properties of the magnet, the invention of writing-materials, printing, and gunpowder, we owe to the Chinese the basis of our present systems of bank-notes and banking.

\*China Opened, vol. ii.

## BANK STATISTICS.

## BANKS OF CONNECTICUT, 1848.

Report to the Honorable General Assembly of the State of Connecticut, now in session  
in the City of New Haven.

The undersigned, Bank Commissioners, respectfully *Report* :

That soon after our appointment, we addressed blank forms to the several banks in the State, to be filled out by the cashiers, showing the condition of each bank on the first of October, December, February and April, and to be returned to us as soon as filled out. These returns have been made with a tolerable degree of promptness. We have also visited each bank in the State at least once during the year, and most of them twice, and from the certified returns made, and from personal examinations, we have the satisfaction of saying to your honorable body, that all the banks are in a sound and safe condition, and that the public need have no fears of their ability to meet all demands that can reasonably be made upon them. With but few exceptions they have been managed with commendable fidelity to the interests of the public as well as of the stockholders. Under the existing laws, a very great improvement has been made in the condition and management of all the banks in the State. Although during the past winter considerable financial embarrassment has prevailed throughout the country, but little pecuniary distress has been felt by the business part of the community in our own State. It is true, that, during the fall, and early part of the winter past, the discount line was high, and the circulation comparatively much larger than usual; yet under these circumstances, the banks were well prepared to sustain themselves, and take care of their customers.

We have said, that with few exceptions the banks were managed with commendable fidelity to the interests of the public as well as the stockholders. We ground our exceptions on those cases where banks have divided their earnings too close, and where they have gone abroad for paper, while declining accommodations to those of our own citizens, who are of right entitled to them. It is true the public do not suffer when a bank divides its last dollar of earnings, provided it is otherwise sound, but great injury may be inflicted on the stockholders by such a course; for it will be seen, by a reference to the statement in the latter part of this report, that a large amount of the stock in our banks is held by females, trustees, schools, ecclesiastical and other societies, the school fund and the State; and a bank that divides all its earnings every six months, and has not a fund in reserve, should it meet with any considerable loss, must, under existing laws, pass one or more dividends. Under such a state of things, all those stockholders who depend upon the earnings of the bank in which they own stock for the means of their support, (and there are many such in the State,) must suffer; and not only they, but all who derive any benefit from that portion of stock held by the school fund, or the State, must suffer in a greater or less degree by an increase of taxes.

That it was the intentions of the Legislature, that the banks should retain from their earnings a reserved fund, is evident from the fact that they have prohibited any bank from declaring a dividend, unless the capital is entirely sound; and have provided that all losses should be made up, and all expenses for plates, furniture, &c., should be charged over to profit and loss, and they repealed a law which prohibited a bank from retaining more than five per cent. surplus.

It is very gratifying to stockholders to receive large dividends, and equally so to the financial officers of banks to show their skill in making money; but it is a gratification obtained at too great a hazard for the permanent interest of stockholders, and an ambition hardly worth gratifying for a financial officer of a bank. We should never wish to see any bank in Connecticut with less than five per cent. surplus, and those of smaller capital, more than that proportion.

Those banks that go abroad for paper, to the neglect of our own citizens who are worthy of credit, are not in the discharge of the legitimate objects for which they were created. Whenever a bank charter is called for, it is on the ground that more banking capital, and banking facilities, are required for the accommodation of the people within the vicinity of its location. That some of the banks do go abroad for paper, to the neglect and inconvenience of our own citizens, we are bound to believe. Complaints are made, and we fear with too much reason. We believe, however, that the cases are few. It is an error that public opinion will be very apt to set right.

There is another fault with many of the banks in the State, and that is, the deficiency of specie. Although a bank may have a large amount of what is denominated specie funds, that is, funds in the hands of banks and agents in New York and Boston, which they can draw for at sight, yet, should there be a suspension of specie payments in those cities, these specie funds would not be available as such; and the consequence would be, that our banks would be driven into a suspension,—a state of things most deeply to be deplored. We know very well that specie in the vault of a bank earns nothing, and officers of banks are not very apt to feel quite willing to have so much dead capital on hand. We are of the opinion that no bank should have less than ten per cent. in specie on the amount of circulation. Many of them have more than that proportion now. This subject of keeping a larger amount of specie on hand has been frequently pressed upon the officers of the delinquent banks, not only by personal solicitation, but through published reports to the General Assembly. It would seem that no reasonable complaints could be made should a law be passed requiring a certain amount of specie to be always on hand, corresponding with the circulation.

There probably has never been a time when the banks have had a better opportunity to fortify themselves against any ordinary crisis or revulsion in the monetary affairs of the country, than during the past three or four years. Business of all kinds has been active, and generally prosperous, and many of the banks have improved the opportunity afforded them, and by charging off bad debts, reduced the amount of real estate, increasing the amount of specie, and accumulating a surplus fund, have placed themselves in a very strong position. It would be very gratifying if we could say as much of all.



The theory and principles of banking are probably as little understood by the people as almost any subject that is within the ordinary reach of man. It is a system whose good or bad administration is most intimately connected with our interests, involving transactions that have great influence on trade, commerce, and labor. It is believed, if the true theory were more generally understood than it is, there would be less opportunity for demagogues and political agitators to do mischief. There is no branch of legislation in which they will take more or deeper interest, than that which relates to currency. All are interested in that which, either directly or indirectly, affects the value of property or labor. The extremes of opinion, within the last few years, have been so great, and so far apart, that the true theory, or any thing like a rational judgment, were among the things most difficult to be obtained. It has been most strenuously maintained by some, that all banking was a monopoly, given to a favored few, and that the institutions under which it is our happiness to live, should be under no restraint whatever; that all should have the right of banking, and depend entirely on the confidence they might acquire for their success. Others have maintained, with no little zeal, that all economy of capital was wrong, and that we should go back to a strict specie circulation. Notwithstanding all the high wrought panegyrics that have been bestowed upon this, that or the other theory, that has been started, Connecticut has pursued the even tenor of her way, and only sought by her legislation to correct such abuses as grew up, and guard with careful vigilance the system early adopted; and while other States have been almost without any currency of their own, and the property of their citizens depreciated to a very great extent at one time, and at another inflated to the extreme by a redundancy of paper, without any substantial basis, we have gone along with but little variation. The free banking system has had its advocates in this State, but from recent developments made by the late Comptroller of the State of New York, we think the people of this State will be satisfied to let well enough alone, for a time longer at least, before they enter upon any new theory that does not promise better results than any that have been recently adopted and partially tried in other States. It is very doubtful whether, under all circumstances, there is any better system of banking than that of a *bona fide* paid up capital, managed by an honest cashier and board of directors, and circulation held in check by par redemptions, and a reasonable amount of specie corresponding with circulation.

It is claimed by some that the banking capital in this State is already more than adequate for the necessary accommodation and legitimate business of the people of the State, and the fact, that the returns show a large amount of discounts for citizens of other States, is proof conclusive to their minds. It is true that the amount, as appears by the returns, is large; but it should be borne in mind, that a considerable proportion of that sum is for individuals who, though they reside out of the State, are concerned in business in the State. There are many manufacturing establishments in the State, owned or carried on by people who reside out of the State; so that a part of the amount which purports to be for citizens out of the State, is in fact used in the State, and our own citizens derive the benefit of it. Besides, is it not for the advantage of our own citizens, that the banks should be able, at times, to use some

part of their funds abroad, provided it is not done at the inconvenience of those who are entitled to the accommodation at home? Does it not enable the banks at such times as money is close, or our manufacturers and others do not meet with a ready sale of their goods, to aid them by curtailing their foreign business, and thereby sustain our own citizens? Indeed, would it not be for the interest of a large portion of the taxpayers in the State, if the banking capital were increased? Would it not afford an opportunity of bringing out a large amount of capital that now entirely escapes taxation? It would seem that if even citizens of other States could be induced to make investments in bank stock here, it would do us no harm, for we should get the benefit of taxes, as well as use of capital. It certainly would be wise to so legislate as to retain our own capital at home. It is unquestionably true, that a very large amount has been driven out of the State for the reason that no opportunity is afforded for investments in banks at home, and also from the operation of our unequal system of taxation—a system that it would seem could not much longer remain in its present shape.

It is not unfrequently claimed that capitalists of other States come here to make investments in the stock of the banks. It is believed, from the best information we have been able to obtain, that it is a mistaken idea. The whole amount of stock owned by non-resident stockholders in the banks in this State, is three hundred thirty-three thousand four hundred dollars, as appears by the returns of the cashiers to the Comptroller.

It is claimed by many, and particularly in the eastern part of the State, and certain localities in the western, with no small degree of justice, that there is a deficiency of banking capital, and that many of our citizens are under the necessity of going abroad to obtain their necessary accommodations, because these cannot be afforded by the present banks. It is true that it requires a much larger amount of banking capital to do the business than it would, could the banks keep out the amount of circulation their charters authorize. We have a banking capital now of eight millions seven hundred twenty-six thousand three hundred eighty-one dollars, which would authorize a circulation of thirteen millions eighty-nine thousand five hundred seventy-one dollars, exclusive of deposits; and as these ordinarily run, it might be increased nearly two millions more, which would give a circulation of about fifteen millions. It rarely, however, exceeds about four millions and a half; but so long as the system of par redemption is kept up, (and we hope it always may be sustained,) few, if any, banks can keep out but a small portion of their legally authorized circulation.

Whether it is good policy for our Legislature to so far disregard the wants of any considerable portion of the people of the State as to compel them to go abroad for their necessary bank accommodations, in their ordinary business, may well be questioned. It should also be borne in mind, that the great increase of manufacturing in the State requires much more bank facilities than was required before that increase, and the works of internal improvement have very materially changed the location of business, and banks are much more used for making collections than formerly. A large proportion of the goods of the manufacturers are sold on a credit and the notes discounted at the banks and collections made.

It may be claimed that by increasing the banking capital, greater inducements will be held out for the people to engage in improvident speculations and investments, and greatly endanger the sound and safe operations of business. If there was no check upon circulation there might be some danger. But the frequent redemptions at the Suffolk Bank, and the rapid communications between different parts of the country, will prevent any greater circulation than the natural business wants of the country will sustain. The moment any banks in New England are unable to meet their redemptions at that institution, their bills are thrown out, their credit is doubted, and they can do but very little business until they make their credit good again. Indeed, this system of par redemption seems to be a most perfect regulator upon all the New England banks. It would seem somewhat surprising that something has not been adopted in other parts of the country that should produce the same beneficial results. If there were, there would be but little necessity for brokers. The bank note of Ohio might be as good in New York, Boston, or Philadelphia, as at the counter from where it issued.

When we visited the Quinnebaug Bank in September last, we found their accounts in such a confused condition, that a balance sheet could not be made, that could be relied on as correct. We however made such an examination into the resources of the bank as to become fully satisfied of their abundant ability to meet all their liabilities to bill-holders and depositors. They had obtained the services of an experienced accountant who was making a thorough examination into the affairs of the bank. We forbade the making of any dividend until they could furnish undoubted evidence of their ability to do so; no dividend has been declared the past year. We visited the bank again in March last, and from exhibitions made to us by the present efficient cashier, and from our own examinations, we were fully satisfied the bank was sound, and would very soon be in a condition to make a dividend. Had the directors for the last few years discharged their duty to the stockholders, by frequent and thorough examinations of the accounts of the Bank, they would have discovered the errors and negligence of the late cashier, and much trouble would have been saved.

We have during the past year obtained a classification of the stockholders in the banks of the State: and from the best information we have been able to obtain, we are satisfied that the stock is held by a very different class of individuals from what has very generally been supposed.

We find that the State of Connecticut owns	-	\$406,000
The School Fund	- - -	319,600
Held in trust for minors and others	-	447,800
Held by school, ecclesiastical and other societies	-	553,665
By 2141 females	- - -	1,631,515

Total, \$3,358,580

The return of the East Haddam Bank not having reached us, is not included in the above. The whole number of stockholders in the banks in the State, is six thousand two hundred and seventy, exclusive of the amount owned by the State, the School Fund, Ecclesiastical and other societies, so that the average amount of stock held by each stockholder, is about one thousand two hundred and six dollars.

It is believed that a very large proportion of the stock is held by individuals who are not engaged in active business, and who depend mainly on the earnings of the banks for their support.

Annexed hereto may be found an abstract of the condition of the banks in this State, as made from the returns, about the first of April last; also an abstract of their condition for the last twelve years.

All which is respectfully submitted,

NELSON BREWSTER, }  
JOHN DUNHAM, } *Bank*  
HENRY T. HUGGINS, } *Commissioners.*

*New Haven, May, 1848.*

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COMPARATIVE VIEW OF THE BANKS OF CONNECTICUT,  
1847, 1848.

| <i>Liabilities.</i>       | April, 1846.        | April, 1847.        | April, 1848.        |
|---------------------------|---------------------|---------------------|---------------------|
| Circulation,              | \$4,565,947         | \$4,437,631         | \$4,891,265         |
| Deposits,                 | 1,813,821           | 1,751,655           | 1,994,590           |
| Capital,                  | 8,475,630           | 8,605,742           | 8,726,381           |
| Bank Balances,            | 362,119             | 245,817             | 299,398             |
| Surplus Fund,             | 427,671             | 473,424             | 595,908             |
| Profits,                  | 169,346             | 231,426             | 261,326             |
| Dividends Unpaid,         | 78,152              | 31,267              | 29,132              |
| Miscellaneous,            |                     | 7,810               | 10,830              |
| <b>Total Liabilities,</b> | <b>\$15,892,685</b> | <b>\$15,784,772</b> | <b>\$16,808,829</b> |
| <i>Resources.</i>         | 1846.               | 1847.               | 1848.               |
| Loans,                    | \$13,032,000        | \$12,781,857        | \$13,424,654        |
| Bank Balances,            | 1,036,552           | 1,250,411           | 1,301,635           |
| Real Estate,              | 366,956             | 349,045             | 329,407             |
| Specie,                   | 481,367             | 462,165             | 517,700             |
| Bank Notes,               | 276,758             | 227,481             | 227,603             |
| Due from Bankers,         | 380,342             | 332,542             | 390,544             |
| Stocks,                   | 315,210             | 301,902             | 505,978             |
| Miscellaneous,            | 2,898               | 79,368              | 111,308             |
| <b>Total Resources,</b>   | <b>\$15,892,685</b> | <b>\$15,784,772</b> | <b>\$16,808,829</b> |

The above table has been compiled from the Annual Reports of the Bank Commissioners. The typographical execution of these returns is by no means creditable. Several errors are observable—and in the Report of 1847 we find one error of \$200,000 in the summary.

The annual Report of the Connecticut Banks for 1847 will be found at page 35, volume second, July, 1847.

## CONDITION OF THE BANKS IN CONNECTICUT, APRIL 1, 1848.

| Resources.           | Real Estate.     | Specie.          | Bills of other Banks | Due from other Banks. | Due from Brokers. | Stocks, Bonds &c. | Checks and Cash items. | Discounted.         | Fills | Total Resources.    |
|----------------------|------------------|------------------|----------------------|-----------------------|-------------------|-------------------|------------------------|---------------------|-------|---------------------|
| Hartford.            | \$15,000         | \$72,136         | \$21,388             | \$103,159             | \$31,783          | \$2,450           | \$4,333                | \$1,871,534         |       | \$2,122,553         |
| Phoenix,             | 36,683           | 46,414           | 19,681               | 103,130               | 37,905            |                   |                        | 2042,076            |       | 2,293,795           |
| Connecticut River,   | 7,000            | 13,675           | 2,438                | 12,370                | 13,321            | 24,000            |                        | 327,220             |       | 401,099             |
| Exchange,            | 11,939           | 20,119           | 16,462               | 85,588                | 4,646             |                   |                        | 860,965             |       | 1,002,259           |
| Farmers & Mechanics, | 11,500           | 50,407           | 12,362               | 27,060                | 312               | 9,766             |                        | 984,322             |       | 1,100,139           |
| New Haven,           | 7,900            | 31,175           | 2,494                | 109,659               |                   |                   |                        | 498,707             |       | 653,435             |
| City,                | 64,382           | 19,658           | 5,891                | 57,651                | 105,891           | 5,000             |                        | 684,238             |       | 947,447             |
| Mechanics,           | 9,000            | 23,455           | 20,185               | 96,377                |                   |                   |                        | 535,980             |       | 684,166             |
| N. Haven County,     | 13,700           | 23,958           | 10,578               | 71,944                | 73,813            | 35,000            | 3,405                  | 650,830             |       | 887,554             |
| Middletown,          | 5,600            | 33,056           | 128                  | 21,964                | 7,898             | 26,000            | 585                    | 479,735             |       | 575,965             |
| Middlesex County,    | 663              | 19,426           | 8,129                | 1,402                 | 18,968            |                   | 1,410                  | 324,013             |       | 375,411             |
| Norwich,             | 6,096            | 14,312           | 19,247               | 19,725                |                   | 37,192            |                        | 299,449             |       | 396,097             |
| Merchants,           | 17,742           | 5,634            | 6,881                | 5,221                 | 271               |                   | 716                    | 246,050             |       | 282,737             |
| Thames,              | 10,044           | 5,694            | 10,117               | 10,936                |                   | 2,257             |                        | 362,889             |       | 403,009             |
| Quinnebaug,          | 12,868           | 7,212            | 6,952                | 15,475                | 20                | 73,150            | 5,123                  | 295,700             |       | 420,360             |
| Bridgeport,          | 10,500           | 15,065           | 18,434               | 144,212               | 5,058             | 20,700            | 1,800                  | 348,957             |       | 569,032             |
| Connecticut,         | 36,673           | 24,341           | 4,678                | 88,911                | 23,563            | 72,615            | 5,132                  | 358,784             |       | 616,764             |
| New London,          | 4,000            | 4,741            | 3,950                | 27,024                |                   |                   |                        | 201,402             |       | 241,127             |
| Union,               | 2,500            | 7,521            | 6,387                | 28,616                |                   | 25,000            | 3,337                  | 144,735             |       | 218,356             |
| Whaling,             | 1,553            | 5,600            | 5,000                | 31,763                | 5,000             | 46,050            | 5,265                  | 156,601             |       | 255,475             |
| Windham,             | 1,961            | 6,783            | 1,735                | 14,945                | 3,000             |                   | 1,102                  | 90,434              |       | 116,978             |
| Windham County,      | 500              | 4,427            | 804                  | 24,313                |                   |                   | 580                    | 102,659             |       | 137,261             |
| Stonington,          | 12,085           | 6,698            | 170                  | 15,023                |                   |                   | 1,412                  | 102,815             |       | 126,196             |
| Fairfield County,    | 6,845            | 6,246            | 5,842                | 30,087                |                   | 55,060            | 201,176                | 201,176             |       | 317,168             |
| Danbury,             | 5,912            | 6,235            | 3,200                | 16,636                | 8,000             | 30,901            | 5,491                  | 192,405             |       | 266,016             |
| Stamford,            | 4,480            | 5,371            | 5,698                | 8,501                 | 39,770            | 5,531             | 1,774                  | 142,398             |       | 214,053             |
| Meriden,             | 2,355            | 13,996           | 2,999                | 27,998                |                   |                   |                        | 206,350             |       | 246,425             |
| Tolland County,      | 1,600            | 3,627            | 1,365                | 9,182                 |                   | 20,168            | 641                    | 183,946             |       | 213,922             |
| Thompson,            | 2,503            | 5,490            | 1,276                | 82,021                |                   |                   | 2,145                  | 83,822              |       | 118,040             |
| Iron,                | 600              | 2,721            | 89                   | 585                   | 2,000             |                   | 5,047                  | 125,654             |       | 224,359             |
| Mystic,              | 4,300            | 1,972            | 134                  | 1,114                 |                   | 4,650             | 295                    | 116,697             |       | 126,662             |
| Jewett City,         | 1,187            | 4,317            | 858                  | 2,752                 | 9,319             | 10,482            | 1,577                  | 78,739              |       | 99,508              |
| East Haddam,         |                  |                  |                      |                       |                   |                   |                        | 123,335             |       | 159,745             |
| <b>Total</b>         | <b>\$329,407</b> | <b>\$517,700</b> | <b>\$227,603</b>     | <b>\$1,301,635</b>    | <b>\$330,543</b>  | <b>\$505,978</b>  | <b>\$54,978</b>        | <b>\$13,424,653</b> |       | <b>\$16,808,993</b> |

# CONDITION OF THE BANKS IN CONNECTICUT, APRIL 1, 1848.

| Resources.             | Capital<br>Stock. | Bills in<br>Circulation. | Deposits.   | Due other<br>Banks. | Surplus.  | Earnings since<br>last dividend. | Dividends<br>Unpaid. | Other<br>Liabilities. | Total<br>Liabilities. |
|------------------------|-------------------|--------------------------|-------------|---------------------|-----------|----------------------------------|----------------------|-----------------------|-----------------------|
| Hartford.              | \$1,134,600       | \$547,264                | \$231,919   | \$64,742            | \$121,863 | \$27,899                         | \$4,264              |                       | \$2,122,553           |
| Phœnix,                | 1,283,000         | 531,807                  | 287,136     | 16,583              | 98,473    | 65,588                           | 2,363                | \$8,842               | 2,233,795             |
| Connecticut River,     | 250,000           | 91,341                   | 42,733      | 1,714               | 7,305     | 7,294                            | 709                  |                       | 401,099               |
| Exchange,              | 525,000           | 265,173                  | 148,646     | 18,388              | 30,821    | 12,763                           | 1,466                |                       | 1,002,259             |
| Farmers and Mechanics, | 540,600           | 334,909                  | 128,897     | 11,297              | 55,560    | 28,437                           | 438                  |                       | 1,100,139             |
| New Haven,             | 364,800           | 159,437                  | 88,501      | 19,761              | 11,048    | 9,026                            | 860                  |                       | 653,435               |
| City,                  | 500,000           | 299,597                  | 105,146     | 13,776              | 17,147    | 10,832                           | 948                  |                       | 947,447               |
| Mechanics,             | 300,000           | 187,033                  | 149,425     | 20,808              | 18,337    | 7,894                            | 607                  |                       | 684,166               |
| New Haven County,      | 514,975           | 246,423                  | 66,406      | 27,821              | 16,000    | 13,866                           | 2,062                |                       | 887,554               |
| Middletown,            | 369,300           | 103,519                  | 49,565      | 16,630              | 28,368    | 7,465                            | 1,079                | 37                    | 575,965               |
| Middlesex County,      | 221,000           | 98,616                   | 35,975      | 5,706               | 8,353     | 4,949                            | 811                  |                       | 375,411               |
| Norwich,               | 210,000           | 98,614                   | 48,046      | 27,066              | 6,774     | 4,781                            | 815                  |                       | 396,097               |
| Merchants,             | 157,211           | 62,257                   | 43,167      | 5,916               | 8,969     | 1,216                            | 2,248                | 1,751                 | 282,737               |
| Thames,                | 247,400           | 100,035                  | 48,426      | 1,955               | 1,652     | 2,270                            | 1,149                | 119                   | 403,009               |
| Bridgeport,            | 250,000           | 73,239                   | 55,519      | 16,055              | 20,234    | 5,312                            |                      |                       | 420,360               |
| Quinnebaug,            | 210,000           | 258,954                  | 70,061      | 445                 | 22,462    | 6,597                            | 511                  |                       | 569,032               |
| Connecticut,           | 275,000           | 216,000                  | 92,687      | 212                 | 25,963    | 6,186                            | 694                  |                       | 616,764               |
| New London,            | 150,875           | 59,075                   | 20,961      | 2,291               | 4,482     | 3,077                            | 364                  |                       | 241,127               |
| Union,                 | 100,000           | 79,288                   | 24,932      | 1,709               | 10,000    | 2,390                            | 36                   |                       | 218,356               |
| Whaling,               | 163,750           | 47,405                   | 31,999      | 2,302               | 6,305     | 3,314                            | 318                  | 80                    | 255,475               |
| Windham,               | 60,000            | 44,297                   | 8,640       | 324                 | 2,513     | 630                              | 572                  |                       | 116,978               |
| Windham County,        | 62,700            | 58,860                   | 10,605      |                     | 3,000     |                                  | 2,194                |                       | 137,361               |
| Stonington,            | 59,600            | 39,393                   | 10,767      | 5,623               | 8,287     | 1,631                            | 844                  |                       | 126,196               |
| Fairfield County,      | 100,000           | 168,754                  | 29,452      |                     | 14,083    | 4,878                            |                      |                       | 317,168               |
| Danbury,               | 89,500            | 147,788                  | 13,770      | 3,065               | 8,292     | 3,422                            | 178                  |                       | 266,016               |
| Stamford,              | 60,000            | 116,900                  | 25,210      | 2,146               | 5,043     | 804                              | 948                  |                       | 214,053               |
| Meriden,               | 150,000           | 74,425                   | 13,487      | 3,134               | 1,621     | 5,650                            | 105                  |                       | 248,425               |
| Tolland County,        | 80,200            | 68,472                   | 46,072      | 2,994               | 11,985    | 4,170                            | 28                   |                       | 213,922               |
| Thompson,              | 60,000            | 44,085                   | 9,285       | 569                 | 2,531     |                                  | 2,169                |                       | 118,640               |
| Iron,                  | 73,960            | 113,627                  | 31,705      | 1,361               |           | 3,705                            |                      |                       | 224,359               |
| Mystic,                | 52,700            | 53,359                   | 11,747      | 1,201               | 5,894     | 1,627                            | 133                  |                       | 126,662               |
| Jewett City,           | 44,000            | 39,744                   | 2,448       | 3,650               | 2,268     | 362                              | 35                   |                       | 92,508                |
| East Haddam.           | 66,160            | 61,515                   | 21,236      | 139                 | 7,242     | 3,275                            | 177                  |                       | 159,745               |
| Total.                 | \$8,726,381       | \$4,691,265              | \$1,994,589 | \$299,397           | \$595,908 | \$261,326                        | \$29,132             | \$10,830              | \$16,808,889          |

Bank Statistics.

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## BANK ITEMS.

**BANK OF VIRGINIA.**—William K. Gordon, Esq., has been elected Cashier of the Branch Bank of Virginia, at Fredericksburg, in place of W. J. Roberts, Esq., deceased.

**ERIE BANK.**—General Reed has issued a circular, dated at Erie, on the 23d May, from which we make the following extract:

"Every effort is making to redeem the bills and pay the indebtedness of the bank. I am glad to receive the paper upon all debts, bonds and mortgages due me, and will be most happy to exchange any property I have, real or personal, at its lowest cash value, for Erie Bank bills. I have not purchased one dollar of the paper at a discount, but am daily giving other funds in change to those who have small sums, and require it for immediate use. I am willing at all times, and have never refused, to give my paper, or secure to the satisfaction of the holder, the ultimate payment—principal and interest—of any amount of the bills of the bank. I have arranged with the Erie Canal Company—on my personal liability—that for the next thirty days the paper will be received for all tolls on the canal from Erie to Beaver. Since the suspension, I have myself paid thirty-three thousand dollars of the bank's liabilities, and shall continue my efforts until the entire circulation is taken up. I am willing to make any sacrifices in my property to effect this object. All that is asked of the bill-holder is, not to make sacrifices, and to allow time for the ultimate payment of all the paper."

**BANK OF THE STATE OF GEORGIA.**—Alexander Porter, Esq., has been elected President of the Bank of the State of Georgia, at Savannah: and J. K. Tafft, Esq., elected Cashier in place of Mr. Porter.

**WASHINGTON COUNTY BANK.**—Daniel Weisel, Esq., has been elected President of the Washington County Bank, at Williamsport, (Md.,) in place of John R. Dall, Esq.

## COMMERCIAL CAPITAL OF GREAT BRITAIN.

From the London Economist.

WE have long observed, in the manner in which a large portion of the commerce of this country has been conducted, a great disregard to what we would term the first principles of commercial science; which, up to the present time, are but ill defined, little understood, and, we fear, as a system, not much acted upon. An examination of the manner in which these principles have been neglected may prove satisfactory, by showing that these great and obvious evils to which the country has recently been exposed, are not the result of risks *necessarily* attached to commerce, but have arisen from errors which, being once clearly defined and understood, may in future be more easily divided.



For some time past we have taken much pains to explain the distinction between *fixed* and *floating* capital, and to show the extreme danger to which the country in general, and individuals in particular, have become exposed, by speculations in investments in which capital, to an inconvenient extent, has become *fixed*. The disturbance at the present moment between the just proportions of each, is shown in a remarkable way by the low and depressed value of one and the high price of the other. While the value of *fixed* capital is every day sinking, that of floating capital is every day rising. We think we shall be able to show that, to a disregard to this distinction, we may mainly attribute, not only the immediate difficulties of the country, which have at this particular juncture led to the commercial failures referred to, but also the original cause, why these houses, with all the capital and wealth which have been invested in them, have been unable to resist the pressure of the times. By way of illustration, we shall shortly refer to the progress which has been made in the science of banking, and to the beneficial consequences which have resulted therefrom to the country at large, as well as to bankers themselves; and which will be found, upon consideration, to arise entirely from a regard to the distinction referred to.

Thirty years ago the greatest ignorance prevailed as to what constituted a proper "*banking security*." It is not difficult to understand that—inasmuch as the capital with which a banker carries on his business is chiefly derived from the deposits of his customers, placed with him only on the faith of his credit, and liable to be called for at a moment's notice, either as the wants of his customers or their loss of confidence in him may dictate—a banker could not be in a position to meet these demands, unless he kept his money in such securities as were easily convertible. To constitute a good banking security, it is not therefore alone necessary that it is ultimately safe and secure—it is quite as necessary that it is of such a character as at all times to be easily convertible, and of such short dates, that the repayment of advances is constantly taking place by bills or loans becoming due, in order that the banker may have it always in his power to curtail his advances or to convert a portion of his securities into money, as circumstances may require. It is thus that, while short-dated first class bills of exchange, having no other guarantee for their payment than personal credit, constitute the best banking securities—while mortgages upon real property, however safe ultimately, are most objectionable and dangerous securities for bankers; although to the capitalist seeking a permanent investment the latter is infinitely preferable to the former. Prior to 1825 this distinction was little understood or acted upon. In those days nothing was more common than for country bankers to advance their deposits and the money representing the circulation of their notes, in mortgages to neighboring landlords and mill-owners; and even the Bank of England, committing the same error, was the mortgagee of the estates of many of our principal nobility. The great panic of that year was the first event which called public attention particularly to this subject. At that period hundreds of bankers suspended payment, lost their credit, and were ultimately ruined, solely from having disregarded this necessary principle in their business. When a demand was made upon them for the repayment of their deposits or the payment

of their notes, their funds being locked up in inconvertible securities, however safe ultimately, were of no avail at the moment; and thus it was that so many of the bankers who at the time suspended payment, ultimately paid their liabilities in full. With abundance of property, many firms were plunged into the bankrupt list, only from a disregard to the proper description of securities in which they had invested their money. From that time, the question of what constituted proper banking securities became discussed, gradually understood, and defined; but it is not many years since the Bank of England finally called in all its loans on the mortgage of real property. It has been to a recognition of this principle and a better understanding of their business, that the greater safety of bankers since that period is to be ascribed, far more than to any Act of Parliament pretending to impose prudent restrictions on banking. In London we do not believe there is a single banker who now does not implicitly follow this rule, and we believe it is very generally followed in the country also; but it has been curious to observe that nearly all the banks which have failed, even of late years, have been guilty of a neglect of this rule, having advanced large sums upon real property, and often of the worst kind. However, one of the greatest steps ever taken in the science of banking, was the discovery and admission of what constituted *proper banking securities*.

What was done for banking by the panic of 1825 remains to be done for commerce in 1847. The question is yet to be determined and carried into practice before our commercial science can be called perfect, or its practice safe—*What constitutes a proper mercantile security?* The position of a merchant is essentially that of a mere agent between the producer and consumer, either in the same or in different countries, whether he buys and sells upon his own account, or whether he trades only on commission. In either case, a large capital may be advantageously, legitimately, and, with ordinary prudence, with certain profit, employed. But beyond his own capital, the merchant may, and always does, trade on his credit. His capital and his credit are required to convey commodities from the place of their production to that of their consumption, and they may be further usefully employed in affording certain facilities to the parties engaged in their production or their distribution to the consumer, in the form either of advances to the one, or of credits to the other. But as the very nature of his business necessarily involves a continuous repetition of transactions, it is above all things necessary that his capital should never lose the character of *floating*, and become *fixed*. Whether he buys, or whether he makes advances on produce in a foreign country, the annual income of the country in its expenditure is virtually pledged to replace the capital at home, advanced abroad; though, perhaps, through the intermediate agency of the capital of the broker and the several dealers through whom goods pass from the importer to the consumer. The merchant may, and perfectly legitimately, facilitate the operations of the producer in a variety of ways to the advantage of both; but he should never lose sight of the great essential character of every advance which he makes. They should always be upon commodities which are in the due course of trade saleable for consumption, so that his capital is again certain to be returned within a moderate period from the current expen-

diture of the country, thus preserving it *floating*. And the greater extent to which the merchant avails himself of his own credit in his transactions, he is bound the more scrupulously to observe the rule, that he never locks up capital in any way in which it will not quickly be returned, and for which he holds in the meantime a security which of itself will guarantee that return.

For example, it is quite legitimate for a merchant residing at home to advance his capital on produce consigned to him from abroad, or for a merchant abroad to advance his capital to the producer on the spot, in anticipation of the future sales of the produce, prior to its shipment; and it may even be legitimate to make advances on a growing crop, especially when the state of the law admits of an assignment of property in that state, and secures its delivery, and when the commodity does not require to pass through a manufacturing process before it is ready for market. But beyond this point it is impossible the merchant can pass without great hazard, or at least without accepting what cannot be called a good "*mercantile security*." Up to that point the re-payment of his capital is guaranteed by the ultimate sale of the produce; and, excepting in the last case, prior to the delivery of the produce, he holds, either in the form of bills of lading, dock warrants, or bills of exchange, securities representing his advances until the actual capital is again returned to him. But the moment a merchant passes this point in his advances to producers, the moment he lends money for the purchase of implements, or machinery, or land, or its improvement on the security of the estate and its plant, that moment he has invested his money in a *fixed* in place of a *floating* security, which is inconsistent with his occupation as a merchant, and is calculated to be productive of great danger in the case of pressure on the money market, especially if he is otherwise availing himself much of his own credit in his business.

From a neglect of this plain rule in commerce, there have been greater losses sustained than from any other cause. The ruin which overwhelmed the largest and most eminent houses which ever existed in India, in 1830, was referable only to that error. The houses of Messrs. Palmer and Co., Messrs. Feigunson and Co., and Messrs. Mackintosh and Co., the stoppage of which in 1830 inflicted such a shock on our Indian trade, were all immediately traceable to an advance of their own capital, and that intrusted to them by others, on such illegitimate commercial securities as we have now alluded to. The majority of the indigo factories throughout India really belonged to those houses; a large number of which, owing to the facilities offered by them, had been opened in parts of the country and under circumstances which could not be profitable. For many years past there has scarcely been a failure of a single West India house of any importance which has not been directly traceable to the same cause. And now, it is evident that these eminent firms, whose recent stoppages have excited so much regret, have been brought into their present position entirely from the same error. They have not confined their investments to *mercantile securities*, but they have, to a great extent, converted their legitimate *floating* capital into *fixed* capital abroad, in securities which are wholly unmarketable here, and which were only of any value as long as they were sustained and cultivated by

the credit which they had acquired. Messrs. Reid, Irving, and Co., are understood to have sunk in sugar plantations in the Mauritius alone, £600,000; and Messrs. Gower, Nephews, and Co. are understood to have similarly sunk, in the same island, upwards of £200,000; while Messrs. Cockerell and Co. have been implicated in indigo factories in India. It is not difficult to understand the sort of irresistible means by which houses become implicated in such securities, and get their capital inconveniently locked up. First, a merchant advances on the produce of the planter; next, competition and the urgent requests of the planter induce him to advance on the growing crop before it is in. All experience has proved that the first advance of this kind becomes the precursor of other advances, which are necessary in order to secure the first. It has invariably been the case under such circumstances, that one advance after another has proved necessary, until the estates, thus overburdened, have become, if not nominally, yet really, the property of the merchant; and his capital, in place of being available in the variety of forms in which it is while retained in proper mercantile securities, in bills of lading, dock warrants, or bills of exchange, is found, on the arrival of a period of pressure, to be locked up in unavailable securities abroad. And thus, like the bankers in 1825, houses who show large balances of property in their own favour, are reduced to the painful necessity of suspending payment.

It is, no doubt, necessary for the success of a commercial house that its transactions, even though confined to strictly correct principles, should be conducted with ability and discretion; and even then unforeseen accidents may happen, sudden changes may take place in the value of property, or large and unexpected losses may be incurred through others, as we have witnessed in some instances during the past week; but we are firmly of opinion that if commercial houses were rigidly to confine themselves to strictly commercial transactions, that, with the exercise of ordinary prudence, misfortunes such as we have witnessed during the last fortnight would seldom occur, or, when they did, the cause in such case would be palpable, easily recognised, and explained.

After 1847, the commercial community will recognise as much the necessity of confining their investments to strictly *mercantile securities*, as bankers did, after 1825, to *banking securities*; and will, as a daily and constant habit, observe the difference between *floating* and *fixed* capital.

A writer in the *Spectator* makes some observations on the above remarks, which, if they confirm the principle laid down, point attention to some facts connected with the subject, which ought not to be overlooked. He says:

“Some persons have indulged in strictures more or less severe upon the great houses that have lately failed; and they evince a disposition to enact, as a rule by which the prudence of merchants shall hereafter be judged, that mercantile securities must be confined, like banking securities, to such obligations as shall revolve in a circle and be periodically replaced. The fall of these houses is doubtless traceable in some measure to the advances made upon securities which have proved to be inconvertible. But this disappointment is not a necessary consequence of the nature of these securities. Mortgages upon good sugar estates, pay-

able upon six months' notice, were formerly almost as available as bills at six months' sight. They have been rendered inconvertible by our recent legislation, whether it be considered right or wrong. The difficulty does not arise from any defect in the definition of the term of payment, but in the inability of the acceptor to pay; and this default is caused by the unprofitable result of his cultivation.

In more favorable circumstances, it would be as justifiable in a merchant to invest a portion of his capital in colonial mortgages as in ships or factories. The fault is not in applying a certain amount of a merchant's capital to any one of these objects, but in applying too much; not in employing a part of it in a way that may be deemed "fixed," but in not reserving enough so disengaged as to be "floating," and always at his command, or in properly adjusting the "fixed" and the "working" capital. If our Tropical possessions were really in a thriving condition, mortgages on good estates, bringing valuable mercantile business, would be as convertible as ships or factories. In that case, a merchant having £50,000 or £100,000 might, without any imprudence, nay, with perfect safety, invest a large portion of it, reserving the balance and *all* his credit as working capital. If, on the other hand, he should venture to invest borrowed money—and credit is nothing else—which may be suddenly withdrawn, it is clear that he would be exposed to great danger. His risk would not, however, be from the *nature* of his business, but from its *extent*. Without advances partaking of a fixed or permanent character, the production of sugar, coffee, indigo, wool, timber, and other valuable commodities would be very limited. Those who become factors or planters are not capitalists; they seldom possess more at first than the enterprise which prompts them to emigrate; and if they were not assisted by the mercantile capital of the mother-country, they could never become great producers.

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## SPLENDOR WITHOUT MEANS.

From Chambers' Edinburgh Journal.

THAT one half of the world does not know how the other half lives, is a sweeping axiom, which, if not literally true, is near enough to truth for an adage. There is, however, a special small class, whose subsistence is a mystery to all the rest, even after every reasonable effort has been made to discover the secret. They are persons who keep handsome, if not magnificent establishments, and act in all respects as men of the first fortune, without any visible means of obtaining the most humble subsistence.

In the lax court of Charles II. there were several specimens of this sort of adventurer. The most conspicuous was the Count de Grammont, a banished courtier of France, who lived in great style; he, however,

some part of his revenue may have been derived from home, though not enough to support the extravagant splendor with which he surrounded belonged to a good family, who were in affluent circumstances, so that himself. A much more remarkable example is presented in Beau Wilson, who lived with a degree of magnificence rivalling that of Grammont, without possessing apparent means to the amount of a single penny.

Notwithstanding his efforts to conceal every circumstance connected with his private history, it was ascertained that Wilson was the younger son of parents who were sufficiently respectable to procure him a commission in the army. Accordingly, he went to Flanders, where hostilities were going on; but behaved with such cowardice, that he was cashiered, and was so poor, that he was obliged to borrow forty shillings of a friend to pay his passage back to England. From that time Wilson's history is under a cloud, till we find him bursting forth in London as the brightest star in the hemisphere of fashion. His house was furnished with splendor, and attended by a complete retinue of servants. His coaches were magnificent, his stud complete, being made up of saddle, harness, hunting, and race horses of the best breeds. His dress (then a formidable item of expenditure,) dinners, and parties, were the admiration of the town; whilst the sources of all this expenditure were equally its wonder. The most obvious conjecture is to refer such mysterious revenues to success in gaming; but Wilson seldom played, and if he did, it was for inconsiderable stakes. Though frequently set upon by the inquisitive, he kept a strict guard over his words, even in moments of excessive conviviality; and all the ingenious devices which were put in force against his prudence were not successful in making him reveal his secret. There was nothing mysterious in his manner; on the contrary, he was of a free and open disposition, and was accessible at all times, so that it was clear he had no secret method of making money either as a coiner or an alchemist; for he was accused of being both by persons who were unable to invent more plausible suppositions to account for his wealth. A hundred other reports were set afloat. Some said that when in Flanders, he had robbed a Holland mail of an immense value in diamonds, and though another individual suffered for that crime, yet because that person denied it to the last, Wilson was pointed out as the real perpetrator. Others declared that he was supported by the Jews as a decoy to obtain advantageous money transactions with the nobility. At last these reports multiplied both in number and extravagance, till Wilson found it expedient to make an effort to put a stop to them. This determination led, unfortunately, to a tragical issue. Having traced one of the injurious rumours to a Mr. Law, he challenged him, and was found dead near the place appointed for the duel, having been, it was asserted, run through the body by Law before he had time to draw his own sword.—Mr. Wilson lived in unabated splendour to the last; and what crowned the mystery of his munificent expenditure was the fact that after his death only a small sum of money was found amongst his effects. He had no debts, and the world was left in total ignorance of the funds out of which he supported his stately magnificence.

Another instance is of later date. In 1814–15, during the congress of princes and nobles at Vienna, a person named Reilly attracted general at-

tention by the frequency and splendour of his dinner parties. They must have been sumptuous indeed, to have caused remark amidst the most brilliant and magnificent series of entertainments which perhaps ever were given; for never before was such a galaxy of princes and plenipotentiaries assembled in one place. Though no person knew precisely his origin, yet it was evident from his manners—which were far from refined—that it was not noble. He had however, been met previously in the highest circles; one gentleman had encountered him in Calcutta at the table of the governor-general of India, then at Hamburgh, in Moscow, and in Paris after the peace of Amiens, when he stated he had just returned from Madrid. In Vienna he outdid the most opulent. He lived in a magnificent hotel—that belonging to the counts of Rosenberg—his furniture and equipages were of the first style, his servants wore the richest liveries, his dinners were on the grandest scale, and composed of the most exquisite dishes imaginable. His guests were the hereditary princes of Bavaria, the Duke of Baden, Admiral Sir Sidney Smith, several ambassadors and *chargés d'affairs*, and other persons of high distinction. How all these expenses were supplied, remained a mystery; for though Reilly gamed deeply, and had an associate in a Mr. O'Bearn, who was doubtless a confederate, yet they could hardly have cheated to a sufficient extent to support his princely establishment.

In the end, however, it proved that Reilly's secret income was not of so enduring a character as Wilson's. In 1821 he appeared in Paris, a beggar and an outcast, his money, carriages, diamonds, all gone. To show the depth of poverty into which he was sunk, he called on the Count De la Garde, whom he had met in Vienna, declaring he had exhausted every thing, 'except,' he added, 'this bracelet, which contains my poor wife's hair. It would have followed everything else to the pawnbroker's shop, if I could have raised a five-franc piece on it, but I cannot.' De la Garde inquired why he did not address those illustrious persons whom he regaled so magnificently at Vienna? 'I have done so,' replied Reilly, 'but have received no reply.' The wretched existence of this man was protracted for three years longer, at the end of which time he died of hunger in the streets!

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## SURETISHIP.

From Chambers' Edinburgh Journal.

THE unpleasant nature of the obligation called suretiship need not be enlarged upon: it is universally felt and acknowledged. Yet there is a vast number of offices and situations to which parties are not eligible, unless they can bring forward satisfactory security for the sums which may be entrusted to them. Individuals, seeing friends thus depending for



the means of a livelihood, or of advance in the world, upon obtaining guarantees for their intrusions, are often induced by humane feelings to undertake such obligations; and how frequently they suffer loss through this friendly act is but too well known. On the other hand, individuals who might obtain certain situations if they could give proper sureties, often fail to do so, from either their inability to get security, or their honorable dislike to ask a friend to undertake such a hazard in their behalf.

The intellectual progress of our country has at length furnished a solution of this class of difficulties. It has been found that, however uncertain may be the contingency of a fall before temptation in an individual, there is a determinate and regularly recurring number of such lapses out of a wide number of cases—the same principle holding here as in the annual criminal statistics of a country, which are always nearly uniform, allowing for progressive conditions. The idea of founding upon this natural fact a society for making suretiship a matter of business, was first explained to the public in the *Dublin Review* for August, 1840, by the first writer of the day on this class of subjects, Augustus de Morgan. He showed that, ‘if a thousand bankers’ clerks were to club together to indemnify their securities, by the payment of one pound a-year each, and if each had given security for £500, two in each year might become defaulters to that amount, four to half the amount, &c., without rendering the guarantee fund insolvent;’ also that, ‘if it be tolerably well ascertained that the instances of dishonesty (yearly) among such persons amount to one in five hundred, this club would continue to exist, subject to being in debt in a bad year, to an amount which it would be able to discharge in good ones.’ In 1842, these ideas were realised by the establishment, under favour of an act of parliament, of ‘The Guarantee Society, for providing security for the fidelity of persons in situations of trust, where securities are required, on payment of an annual premium; capital one hundred thousand pounds.’ There is something startling at first sight in such a society; but its advantages are readily discovered.

The first of these undoubtedly is its enabling a clerk or other salaried agent, of good character, to obtain at once, and without obligation to others, such security as he may require. To quote a pamphlet upon the subject,\* which has fallen into our hands—‘One or two instances of deserving individuals, debarred of their well-earned reward, may convince the reader of the serious hardship that the system of private suretiship often inflicts upon the deserving. They are selected from two very different ranks in life, and will be sufficient evidence of the truth of the position here laid down.

‘First, with respect to the army. The reward for merit, accompanied with pecuniary advantage, is very limited in this branch of the public service. Suppose the officer to be educated in the military school, and immediately drafted into the army (which is a very common case,) his whole life will have been spent either on service or in the barrack. He may have distinguished himself on the field of battle, and obtained a company by exertion amidst the greatest dangers. To the veteran of this descrip-

\* *Suretiship: the Dangers and Defects of Private Security, and their Remedies.* By Charles Saunderson. London: Simpkin, Marshall, & Co. 1844.

tion the paymastership is the only pecuniary reward that can be enjoyed while upon active duty with his regiment. He is shipped from colony to colony, and the war-office authorities, anxious to afford substantial reward may have the opportunity of offering him this appointment for services brought under their especial notice. In this case the most unexceptionable sureties are required to the amount of £2000, and hundreds of meritorious officers have reluctantly been forced to decline the office, which it would have greatly benefited them to accept, and gratified the authorities to have conferred. An example amongst officers of this standing is not wanting to acknowledge the importance of the honorable help to be obtained from the Guarantee Society, and the society itself is under obligation to the authorities of the war-office for the support given by them to the society in its infancy.

'The second case to which I would allude is of another class. A person who had entered the establishment of one of the large clubs, in the neighborhood of St. James' palace, upon daily pay, conducted himself with so much propriety, that he was gradually promoted to the office of assistant butler. The butler died, and as valuable articles were intrusted to his keeping, it was important that none but a trustworthy person should be appointed to the vacancy. The club was protected in this appointment by a bond to a considerable amount. The good character of the assistant-butler recommended him to the house committee, who unanimously selected him for the vacant office. The necessity of providing sureties, however, was an insuperable bar; the man had no friends of sufficient property to whom he could apply for such a favor. It was most desirable that his services should be secured, and as the Guarantee Society, which at that time had scarcely commenced business, offered the means of removing the difficulty, some members of the committee of management communicated with the society; inquiries confirmed the opinion of the good character of the man; the society became his sureties, and a deserving, well-qualified person obtained his reward for good and faithful services.'

It also appears that the Guarantee Society furnishes security under circumstances which form a great improvement upon the private mode. It not only institutes a rigid investigation into the moral character of the applicant—rejecting him if there be any deficiency in this respect—but it exercises a care over the parties concerned, demanding that the employer shall exert due vigilance over the employed. Private parties, acting as securities, are usually prevented by delicacy from making any inquiry about the footing on which employer and employed may stand; and, when failure takes place, they are usually at a loss to ascertain how far the alleged defalcation is real; but the Guarantee Society is under no scruple on these points, and facts prove that it is well for them to be so. On the other hand, employers who conceive themselves to be amply protected by private sureties, often find that these either were fallacious at first, or in the course of time have become so, their minds being too much engrossed with other objects to admit of their exercising due care. But a society making suretiship a business, and possessing an ample capital, may be depended upon with absolute confidence.

Mr. De Morgan, in the able paper which has been quoted, anticipated in some degree the objection, that security obtained on commercial prin-

ciples from a society would exercise a less control over the moral feelings of the assured party than does a private guarantee. On this point Mr. Saunderson is still more explicit, and we extract his observation in full. 'The only consideration,' he says, 'which remains worthy of notice, is the effect that the introduction of this principle will have upon other general interests of the community, especially with regard to morality. The rarity of a prosecution by sureties sufficiently attests the weakness of the moral control that private suretiship exercises in the relations between the employed and their bondsmen. It is sufficient for the surety that he has incurred a heavy penalty; and it would evince great ignorance of the world to suppose relatives would further expose their family honor by public proceedings against the offender. Under such feelings, the worthless servant escapes punishment: he may form other acquaintance and other friendships; he possibly may obtain another employer and other sureties, and run a similar round of folly and vice, and eventually plunge into greater delinquencies. The proceedings of the Guarantee Society, on the contrary, appear well calculated to arrest such a course of events. Upon the first defalcation, if it be not a case of gross fraud, the individual may be called upon to protect the society from pecuniary loss, his employer still having the right to prosecute. If this can be accomplished, when a second application for the guarantee is made, the answer of the society to the proposed master would be, 'We will not guarantee A. B. a second time; we believe he can be employed more usefully than in offices of pecuniary trust.'

'The individual is by such means most probably saved from the temptation that would constantly beset him. If the circumstances attending the defalcation afford evidence of serious criminality prosecution will certainly follow. The society have their personal interests to protect, and will in such a case exert the only real check upon the positively dishonest—namely, the certainty of exposure and punishment. Upon this subject no doubt can exist: the appointment of the solicitors to the Association of London Bankers for the Prevention of Fraud, as the society's solicitors for the prosecution of defaulters, is positive proof of the society's determination that punishment shall follow a violation of laws instituted for the protection of the community at large.

'The success of the Guarantee Society must therefore lead to a diminution of fraud and dishonesty.\* In further proof it may be stated, that of parties whose default the society have had to make good, some are now undergoing the penalty awarded by the law as a punishment for dishonesty, while other delinquents have absconded to avoid the consequences of a prosecution.'

\* The experience of the society has already shown to the directors that fraud by servants, under private sureties, is committed to a serious extent in the commercial world. Cases daily arise to prove how totally inadequate and defective the system of private security is as a preventive of crime. Under the present system, with the exception of certain of the bankers, whose excellent association is a safeguard to the best principles of civil society, and one or two other prosecuting associations, the punishment for such crimes falls upon the surety, who is altogether unprotected; and the worthless delinquent is left to continue his depredation upon the unwary public.

We are, upon the whole, impressed with a strong sense of the soundness of the principle involved in the establishment of this society, and believe we are only doing an acceptable duty to a large portion of our readers in making them aware of its existence.

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NEW BOOKS.

**THE PAST, THE PRESENT, AND THE FUTURE.** By H. C. Carey, Philad. Carey and Hart, 1848. The author enters into an elaborate argument to enforce his views of Labour, Capital, Wealth, and other topics. Our readers will find in this No. a few pages taken from Mr. Carey's volume: and these few will enable our readers to form a tolerable estimate of the peculiar notions of the writer. He stands forward as a champion of the interests and welfare of the masses of the people: and we hope his work will find a general circulation, and every copy a thousand readers.

**EWBANK'S HYDRAULICS AND MECHANICS**—8vo. 1848. Published by Greely & McElrath, New York. This may be considered the most complete work issued upon the subject in this country. It contains valuable details for engineers, mechanics and men of science. The engraved illustrations are well executed, and add much to the value of the volume.

**JOURNAL OF THE FRANKLIN INSTITUTE**, Philadelphia, 1848. Published by the Franklin Institute for the promotion of the mechanic arts. This work has hitherto been under the editorial supervision of Dr. Thomas P. Jones, one of the ablest chemists of the age and for several years superintendant of the Patent Office. Published monthly, at \$5 per annum.

**VINDICATION OF THE FREE BANKING SYSTEM:** an investigation of the true principles which ought to be the basis of paper money. By L. Bonneau—New York, 1848. (Extracts in our next.) ●

**LETTER to the people of New Jersey on the Frauds, Extortions and Oppressions of the Rail Road Monopoly.** By a Citizen of Burlington—8vo: pp. 64. Philadelphia, Carey and Hart.

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**BANK LOCKS.**—The importance of having the best locks upon bank vaults is exemplified daily. Messrs. Day and Newell, New York, have recently supplied four of the Baltimore banks with locks for vault doors, which deserve a critical examination. They seem to be incapable of being picked.

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DEATHS.

**AT WHEELING**, in May last, John List, Esq., Cashier of the North Western Bank of Virginia, at that place.

**AT BRIDGEPORT**, Connecticut, on the 11th June, Sylvanus Sterling, Esq., President of the Bridgeport Bank, aged 61 years.

**Notes on the Money Market.**

NEW YORK, JUNE 30, 1848.

Shipments of specie have been very active since 1st June. The steamers and packet ships have carried out large amounts, but we may say that the demand has ceased. Exchange on England has ruled as high as  $10\frac{1}{2}$  a 11, but the rates may now be quoted at  $109\frac{1}{2}$  a 110. The shipments of coin to Europe since the 1st January last, from N. York, may be estimated at eight millions of dollars.

Some relief to the money market is already felt in consequence of the negotiation of the Government loan of sixteen millions. A large proportion of this, it is generally believed, has been subscribed for foreign account: and the tendency of bills on England has been since downward. The premium realized, over three per cent, is a strong indication of the abundance of capital. Capitalists are willing to embark in loans for the U. S. at 3 per cent premium, while money is in demand in State street and Wall street at 1 or  $1\frac{1}{2}$  per cent per month.

In 1842 the Government negotiated a loan of eight millions at par. The sudden influx of private capital into the United States from Europe since March last, added to the information that peace was secured with Mexico, has created a disposition to invest in Government securities, and presents a favorable contrast with the operations of Government for former years. The following is a schedule of the successful bids:

**NAMES AND AMOUNTS OF THE SUCCESSFUL BIDDERS:**

| Bidders.          | Amount.  | Rate.              | Bidders.            | Amount.      | Rate.              |
|-------------------|----------|--------------------|---------------------|--------------|--------------------|
| R. W. Mead        | \$10,000 | 3.02               | J. B. B. Hale       | 20,000       | 3.12 $\frac{1}{2}$ |
| W. C. Bestor      | 5,000    | 3.53               | J. B. B. Hale       | 20,000       | 3.37 $\frac{1}{2}$ |
| W. C. Bestor      | 5,000    | 3.78               | L. Newell           | 5,000        | 3.52               |
| W. C. Bestor      | 5,000    | 4.05               | E. W. Clark & Bros. | 150,000      | 3.03               |
| H. Prevost        | 10,000   | 3.06               | E. W. Clark & Bros. | 100,000      | 3.13               |
| H. Prevost        | 10,000   | 3.16               | E. W. Clark & Bros. | 100,000      | 3.20               |
| H. Prevost        | 10,000   | 3.28               | E. W. Clark & Bros. | 150,000      | 3.23               |
| H. Prevost        | 10,000   | 3.39               | E. W. Clark & Bros. | 100,000      | 3.31               |
| H. Prevost        | 5,000    | 3.55               | E. W. Clark & Bros. | 100,000      | 3.43               |
| H. Prevost        | 10,000   | 3.56               | E. W. Clark & Bros. | 100,000      | 3.55               |
| H. Prevost        | 5,000    | 3.58               | E. W. Clark & Bros. | 50,000       | 3.33               |
| H. Prevost        | 5,000    | 4.05               | E. W. Clark & Bros. | 50,000       | 3.44               |
| H. Prevost        | 5,000    | 3.20               | E. W. Clark & Bros. | 50,000       | 3.56               |
| H. Prevost        | 5,000    | 3.40               | Abel Rathbun        | 10,000       | 3.50               |
| J. H. Pleasants   | 10,000   | 3.07               | J. C. Maguire       | 25,000       | 3.57               |
| Winslow & Perkins | 50,000   | 3.07               | J. C. Maguire       | 25,000       | 3.27               |
| Love Baker        | 5,000    | 3.06               | J. C. Maguire       | 25,000       | 3.07               |
| G. Thomas         | 2,000    | 4.00               | H. R. Schoolcraft   | 250          | 3.02               |
| J. P. Hamilton    | 100,000  | 3.15 $\frac{1}{2}$ | Chubb & Schenck     | 50,000       | 3.03               |
| J. Keith          | 10,000   | 3.41               | Chubb & Schenck     | 50,000       | 3.15               |
| W. R. Morgan      | 50,000   | 3.07               | Chubb & Schenck     | 50,000       | 3.28               |
| W. R. Morgan      | 250,000  | 3.06               | Corcoran & Riggs    | 14,000,000   | 3.02               |
| S. R. Brooks      | 100,000  | 3.06               |                     |              |                    |
|                   |          |                    | Total               | \$15,917,250 |                    |

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BIOGRAPHICAL NOTICE OF ELI WHITNEY.

BY JAMES WYNNE, M. D.

For the Bankers' Magazine.

It is remarkable to what seemingly trivial circumstances mankind frequently owes the most important inventions in mechanics. Who at the time could have imagined that two such small events as the witnessing of the drawing out of a heated bar of iron between rollers, by Arkwright, and the assemblage of a small company of cotton planters at the residence of a lady, under whose kind patronage Whitney, a young and ardent adventurer upon the sea of human life, then was, would have established an era in the cultivation and manufacture of cotton, and have furnished the world with one of the most extraordinary exhibitions of mechanical development known in the entire history of the industrial arts. Yet to these very circumstances England and the United States are indebted for the present extensive culture and manufacture of that article which has worked so important a revolution in their labor, and contributed so greatly to the prosperity of both. There is a striking parallel in the youthful portion of the lives of the two great men whose names stand out thus prominently in the early history of the growth and manufacture of cotton, who, sprung from the same humble condition in society, and endowed with the same mechanical genius, were prosecuting successfully in different hemispheres, those reciprocal inventions which bear so intimate a relation as to make both necessary for the perfection of either, which it would be pleasing to prosecute. But our business at present is with the American inventor, and we shall therefore leave his English prototype, to enter into some of the details of his highly useful life.

Eli Whitney, the subject of these remarks, furnishes an illustration of the truth, that a man may possess great genius, be an inventor of the highest order, and yet never write a book. Indeed his early occupations were far from favorable to literary pursuits, and even when at a later period he entered Yale College, as a student, we are unable to perceive that he evinced any great anxiety to excel as a literary man. On the contrary, his heart seems to have been centred in his favorite pursuit of mechanics, and his studies were prosecuted with avidity only when they tended to this point. He is said to have been an excellent mathematician, but was not remarkable for his attainments as a classical scholar.

His father, who resided at Westborough, in Massachusetts, at which place Eli Whitney was born, 8th December, 1765, was a small farmer, and managed by dint of industry to rear an increasing family, frugally yet respectably, for the most part to pursue the same quiet occupation with their ancestor. Whitney's early years were spent in assisting his father and brothers in their agricultural pursuits; but even at this early period of his life he evinced a great fondness for mechanic subjects, and exhibited unmistakable evidences of a high order of inventive genius. As might naturally be supposed, these first attempts were expended in childish inventions. He was always glad to retreat from the labors of the farm, for which he does not appear to have had any great predilection, to his father's workshop, to busy himself in his favorite occupation. Some amusing incidents are related of this portion of his life: among others it is said that his father having had occasion to absent himself from home for a few days, enquired on his return, as was his custom, into the occupation of his sons during his absence. He received a good account of all of them, except Eli, who, the housekeeper was reluctantly obliged to confess had been engaged in making *a fiddle*. "Alas," said the father with a sigh and an ominous shake of the head, "I fear that Eli will have to take out his portion in fiddles." Nor can we marvel much at the parent's forebodings, when we remember how frequent a shift this is with idle and worthless boys. It is not every lad who sets his miniature water wheel at work beneath the little stream of water, that becomes a *Newton* in after life, or that deduces the same philosophic reasons from this apparently trifling amusement which inspired the soul of the great philosopher. It may be well to observe by the way, that this fiddle proved to be a very good one, and made passable music.

Another incident connected with this portion of his life, is that his step-mother (who had recently become so) possessed a set of table knives, which she highly prized, as a superior article of cutlery. Eli informed her that they were well made, but that if he had proper tools he thought he could equal them, with his own manufacture. The step-mother became offended, thinking that he meant to underrate their value, but it so chanced that not long after one of them became broken, and he supplied its place so perfectly that it could not be told from the others, except that it wanted a stamp, which he had not the requisite tools to impart to it. Although but twelve or fourteen years of age, his reputation as a skilful mechanic had now become so general in his father's neighborhood, that the surrounding country people were in the habit of bringing to him mechanical jobs to execute, which he performed with such skill and neat-

ness as always to satisfy, and not unfrequently to astonish his employers.

The inhabitants of the New England states, and more especially those in the class in which Whitney's father was, have always been celebrated for a certain species of thrift, by which they are enabled to turn such circumstances as present themselves to their account. An instance of this is exhibited in the life of Whitney when about sixteen years of age. The revolutionary war by shutting out imports to a great extent, raised the price of nails, which were much in demand, and exclusively wrought by hand. Whitney easily persuaded his father to furnish him with the necessary implements, and to allow him to engage in their manufacture. The father took good care, however, to reserve to himself all the profits resulting from his son's labor. We find him engaged in this occupation for upwards of two years, until the termination of the war, which by bringing foreign imports in competition with him, greatly reduced the profits of his labor and induced him to relinquish the business.

About this period he determined to acquire a collegiate education, and set himself steadfastly to the task of accomplishing this object. By dint of much perseverance and labor, both as a mechanic and in conducting a small school, he succeeded in procuring the means necessary to defray his expenses, as well as the education requisite to enable him to enter the Freshmen class at Yale College, in the spring of 1789, when about twenty-four years of age. It is needless to say that young Whitney, who was opposed in his scheme of college education by his family, and thus obliged to procure, by his own individual exertions, the means of sustaining himself while engaged in its prosecution, was a diligent and laborious pupil. In his studies as elsewhere, his favorite propensity manifested itself. The classics and polite literature were studied by him from necessity, but mathematics, and especially those branches immediately relating to mechanics, from choice. In the former he was never remarkable, in the latter he was a proficient. With the chaste diction, and exquisite poetical imagery of the ancient writers, he had little sympathy. The sweet toned sentences of Theocritus, the pleasing harmony of Virgil, or the graceful measure of Horace, failed to inspire his mind with their lofty and soul-stirring aspirations. Nor could he drink in those lessons of wisdom which flow in such abundant streams into the minds of others differently constituted, from the perusal of the works of Aristotle, Quintilian, Cicero and Tacitus. His mind possessed too much mathematical precision to derive gratification from these writers, and he gladly turned from them to bury himself in the abstruse theories of Euclid, Hugen, Newton and Euler.

During his continuance at college, he did not abandon his craft in practical mechanism, which he frequently applied to very useful purposes. One of the teachers mentioning on one occasion, his regret at being unable to exhibit to the class a very interesting experiment, on account of the condition of the philosophical apparatus, which no mechanic in the village was able to rectify, young Whitney volunteered the task, and soon placed the apparatus in complete order, very much to the gratification of his teachers, who warmly commended him for it.

He graduated in 1792, and in the autumn of the same year entered into an engagement with a gentleman who resided in the state of Georgia, to



become a private tutor to his children. He shortly after set out for that state, in order to comply with his engagement. Unfortunately he found the position he had left his home to fill, occupied by another, and he was thus left without occupation or means, and almost friendless. It had been his good fortune, however, to accompany a southern lady who, with her family, was returning from a northern tour, from New York to Savannah. This lady, who was the widow of General Greene, a distinguished officer of the Revolution, took a deep interest in the welfare of Whitney, and no sooner heard of his disappointment, than she kindly proposed to him to make her house his home, and immediately to commence the study of the law, as was his original intention. Whitney accepted this offer, and took up his residence with her accordingly.

An incident occurred here which completely changed all his views for life in relation to himself, and called out that invention which will in all time rank his name among the greatest benefactors of his kind, and place him in the foremost rank of inventive geniuses. It is this: a party of gentlemen from the northern part of the state, who were on a visit to Mrs. Greene, were deprecating the almost perfect impracticability of so separating the seed from the upland cotton as to make its cultivation an object of importance. Mrs. Greene, who had on more occasions than one, witnessed Whitney's wonderful mechanical genius, advised her guests to appeal to him, assuring them at the same time, that he was able to accomplish whatever mechanical task he set himself about. The guests and the future inventor of the cotton-gin, were accordingly made acquainted with each other, and he was urged by them, as well as by his kind friend and patroness, to undertake the task. He modestly disclaimed any great knowledge of mechanics, but nevertheless agreed to make the attempt. From the impulse thus imparted to his mind he never swerved, but continued to prosecute it with untiring zeal, until his labors were crowned with a success which even the inventor himself could hardly have dared to anticipate.

His first object was to procure a sample of the upland cotton, containing the seed, which as yet he had never seen. For this purpose he made a visit to Savannah, and having succeeded in procuring the cotton in this condition, he returned to commence his experiments upon it. His intentions were confined to his patroness, Mrs. Greene, and Mr. Miller, a New England gentleman, who was then a tutor in Mrs. Greene's family, and who afterwards became her husband. This gentleman not only warmly entered into his views, but on the completion of his model, became his partner in business, and furnished him with the capital necessary to carry on his operations. A separate room was assigned to him as his workshop, into which no persons were admitted except his two confidants, Mrs. Greene (*who appears to have kept his secret,*) and Mr. Miller. Within this workshop, as secretly and mysteriously engaged as the ancient alchemist in his charmed laboratory, he passed the winter months in devising and perfecting his machine.

He thus speaks of his operations at this time, in a letter addressed to Mr. Jefferson, then Secretary of State, dated 21 Nov., 1793: "Within about ten days after my first conception of the plan, I made a small, though imperfect, model. Experiments with this encouraged me to make

one on a larger scale; but the extreme difficulty of procuring workmen and proper materials in Georgia, prevented my completing the large one until some time in April last." The model machine, on a scale sufficiently large to test its practicability, was made entirely with his own hands, and with the rudest instruments. He was even obliged to draw out the wire which entered into its composition,—no wire being sold at that early day in Savannah.

In the spring of 1793, he had so far tested his machine as to place its value beyond a question of doubt, and his two friends were burning with impatience to proclaim a result so gratifying to himself, and so important to those engaged in the occupation of cotton planting. Accordingly, Mrs. Greene invited a number of guests, from different parts of the state, to her house, and the charmed doors of his sacred retreat being thrown open, he exhibited for the first time in public, the wonder-working powers of his new invention, which astonished and delighted those who witnessed its operations.

In order to understand the value of Whitney's invention, it will be necessary to give the reader a cursory view of the condition of the cotton growing interest at the time of its appearance. The cotton plant, (*Gossypium*), is indigenous to many warm countries, and it has been cultivated and spun and wove into clothing, in India and the islands of the Indian ocean, from periods of the remotest antiquity. Pliny speaks of the cotton used by the Egyptians in his day, and Columbus relates that the natives of the American continent possessed cotton clothes on his first discovery of the Western world. The most extensive manufacturers of cotton, however, during the middle ages, were the Spaniards; and at that period, when Spain ranked foremost in civilization and refinement, the delightful plains of Seville and Granada were no less celebrated for their picturesque beauty and high state of cultivation, than for the excellence of their cotton fabrics. England, at present the great manufacturing nation of the world, did not embark in this business before the middle of the seventeenth century. Its progress was exceedingly slow before the patent of Arkwright for spinning was obtained in 1769, and even with this additional aid its advance was far from rapid, until the discovery of Whitney, by rendering its culture an object of importance to the American states, at once inspired new life into this branch of English industry.

An idea of the estimate in which the cultivation of cotton was held at the termination of the last century, by our government, may be formed from the circumstance that Mr. Jay, our then Minister to England, in negotiating a commercial treaty with that government, permitted an article to be introduced into the treaty, in which the export was prohibited in American vessels, from the United States, of such articles as had formerly been supplied by the West Indies. Cotton was included among these articles; its export at that period not being considered of importance enough attract the particular attention of our distinguished minister.

There was at that period, as now, two distinct species of cotton grown in the United States, known by the appellations of the long and short stapled cotton. The best specimens of the former were called sea-island cotton, and were cultivated on the sandy islands which dot the shores of the lower Carolina and Georgia. It is supposed that the spray of the

sea exercises a peculiar influence upon it, rendering its filaments longer and more silky, for when the plants are transplanted beyond the influence of the salt water, these qualities deteriorate. The *upland cotton*, or that grown in the interior, is known by the name of *short staple* or *bowed cotton*. This latter appellation was given to it on account of the process formerly made use of to separate the seeds from the filaments. This was by striking masses of the cotton pods violently with bows, to which strings were attached, for the purpose of loosening them before attempting to separate the seeds by hand. This cotton also goes by the name of green seed cotton, which adheres with much more tenacity to the filaments of cotton than the black seeds, which characterize the sea-island species. The soil adapted to the growth of the sea-island cotton, is necessarily limited, while almost every acre of land in the Southern tier of the United States, is fitted for the culture of the short stapled cotton. It was for the purpose of separating the seed from this latter that the *gin* of Whitney was invented, and on its success depended the applicability of the entire range of southern states to the culture of this article.

It is not surprising, therefore, that this invention should have been hailed with the greatest raptures of delight, and that those who witnessed its capacity to perform in a single day the labors of many months, should have indulged in the most brilliant imaginings as to the future prospects of the cotton-planting interest of the United States; nor could it be otherwise than that its young inventor should have felt almost within his grasp that golden harvest which all were assured would flow in upon him through the medium of his auspicious and well-timed invention. Who then could have imagined that this brilliant picture was soon to be succeeded by one blackened with the clouds of misfortune and disappointment;—but we anticipate.

Whitney's machine consists of a cylinder whose surface is covered with iron teeth about three-fourths of an inch apart, presenting a serrated appearance. During the revolutions of the cylinder, these teeth seize upon the cotton wool, and draw it through the openings in a number of iron straps placed in contact with them, from the hopper into which the cotton is placed. These openings are made too narrow to permit the seeds to pass through, and they are brushed from the plates into a receiver below. The revolving cylinder, with the cotton attached, meets with a second cylinder, moving in an opposite direction, supplied with brushes, which remove the cotton from the teeth of the first cylinder. The teeth of the first gins were made of wire. The execution of this machine is as effective as its construction is simple. It may be worked by men, oxen or water. A gin worked by oxen will clean from 600 to 900 lbs. of cotton in a day. Before this invention it required the labor of a hand a day to separate the seed from fifty pounds of cotton.

Mr. Whitney, in a correspondence between himself and Fulton, with great justice remarks: "My invention was new and distinct from every other—it stood alone. It was not interwoven with any thing known before; and it can seldom happen that an invention or an improvement is so strongly marked, and can be so clearly and specially identified."

It had been deemed prudent not to exhibit the machine to the public

until Mr. Whitney had secured his right to it by patent; but before he could complete his model, his workshop was broken open and the machine stolen. In this manner it became public before it was patented, and a horde of imitators immediately set to work to manufacture new ones upon his principle, but varying in some slight degree in order to avoid prosecutions under a patent. Considerable delay occurred in obtaining the patent, for although he presented his petition to the government, praying for its issue on the 20th June, 1793, it was not until nearly the close of that year that letters were issued confirming his right. In the meantime, a number of persons were engaged in manufacturing the gins, and were boldly claiming a title to the invention. By an arrangement which had been entered into between Mr. Miller (who had become his partner,) and himself, he was to repair to New England immediately after filing his petition with the government for his patent, and commence the manufacture of gins, to meet the demand in Georgia. Unfortunately they did not confine their views to the manufacture and sale of the gin itself, but aimed to engross the entire business of cleaning the cotton to themselves. The cotton planters were perfectly willing for this, and the following year planted greatly increased crops of cotton, on the faith that they would be made marketable by the gin. The profits to be derived from the gin, one-third of the entire cotton crop, which was then selling at twenty-five cents per pound, seemed to open to them a road to magnificent and speedy wealth; but a series of misfortunes occurred which closed up their immediate avenue to prosperity, and involved their concerns in a long train of perplexities and embarrassments.

In the spring of 1794, Whitney visited Georgia, for the purpose of effecting arrangements to clean the cotton crop from seeds with such machines as he had previously caused to be made. He returned shortly after to New Haven, Conn., and with the limited means at his command set about preparing gins to meet the demand upon them, but so greatly had the crop increased, that he found himself unable to do so. The planters were therefore glad to resort to other machines, and in a short time they met with a formidable competition in several others based upon Whitney's original principle. The most pressing embarrassment under which they labored, was a want of money; for although Mr. Miller had advanced some means, they seem, from the correspondence which was carried on between them at this time, to have been obliged to resort to all manner of expedients to supply the expenditures incident to the manufacture of the gins, frequently borrowing it at the most ruinous rates of interest. To add to his misfortunes, while on a visit to New York, he received information that his shop, together with all its contents, including a number of newly manufactured machines, and all his books and papers, had been consumed by fire, by which he was reduced to a state of complete insolvency.

As if to crush every remaining hope, a prejudice was excited in the minds of the manufacturers in England against the cotton cleaned by the gin. It was admitted to be freer from seeds than that picked by hands, but it was said to render the cotton fibre brittle, and thus weaken the texture of the fabric manufactured from it. The manufacturers refused to purchase it, and Mr. Miller writes to Mr. Whitney that "Every one is

afraid of the cotton. Not a purchaser in Savannah will pay a full price for it. Even the merchants with whom I have made a contract for purchasing begin to part with their money reluctantly." Not only policy, but the very existence of their enterprise, dictated to Whitney to repair immediately to England for the purpose of disabusing the minds of the manufacturers on this prejudice against ginned cotton. Yet so straitened were their finances at this period, that neither Whitney nor his partner appear to have retained sufficient credit to borrow the sum of money necessary to defray the expenses of the journey. His anxiety to visit England was so great, that he was five or six times on the point of departure during the year 1796, but was as frequently deterred by disappointments in obtaining the requisite means, and was finally obliged to abandon the journey altogether. As the hopes of accomplishing this undertaking diminished, his partner writes to him from Georgia: "In the event of this failure, I can only take to myself the one half the blame which may attach itself to our misplaced confidence in the public opinion. I confess myself to have been entirely deceived in supposing that an egregious error, and a general deception, with regard to the quality of our cotton, could not long continue to influence the whole of the manufacturing, the mercantile, and the planting interests, against us. But the reverse of this fact, allowing the staple of our cotton to be uninjured, has, to our sorrow, proved true, and I have long apprehended that our ruin would be the inevitable consequence." [*Silliman's Journal.*]

The letter from which this extract is made, bears date in the spring of 1797, at which period they appear to have had no less than twenty-eight gins, calculated for horse and water power, lying idle for want of employment, in the State of Georgia. The only hope of restoring the value of this property, upon which had been expended many thousand dollars more than either Whitney or his partner was worth, was in reviving the lost confidence in the cotton ginned by them. So long as the article continued unmarketable the planters hesitated to make use of the machine, and the merchants to purchase it. The hope indulged in Mr. Miller's letter, that this error would not long influence the whole of the manufacturing interest against them, at last began to be realized. A reaction, as gratifying as it was sudden, now set decidedly in favor of the cotton cleaned by the gin, and the merchants, who had but a short time previous looked with suspicion upon the article, eagerly sought it out as most desirable for the manufacturers' purposes. Their gins were again restored to partial employment, and fortune, which had so long withheld its favors, seemed at last about to dawn upon their hopes in cloudless brilliancy.

But here, too, as at every previous step of their progress, they were doomed to encounter bitter disappointments. The difficulties in procuring the gins in the first instance, and the tide of opposition which had set in against them in the second, encouraged a large number of unprincipled persons to attempt a violation of their patent, on the most flimsy pretences. They therefore found the employment of their gins interfered with by those who had set up the trade without legal authority, and were compelled to institute a series of harassing and interminable lawsuits against the infringers of the patent, to protect themselves. The

first of these trials, to the surprise not only of the plaintiff, but the defendant, was given against Whitney's patent. The popular opinion seemed to be with them, and the judge charged the jury to bring in a verdict in favor of the plaintiff, yet after an hour's consultation they rendered a verdict against the instructions of the court, on the ground that the violation of the law consisted in the several items of "making, devising, and using, or selling," while their charge consisted in "using" alone. The failure of this suit increased the encouragement to disregard the patent, and in a short time the whole cotton-growing portions of Georgia and South Carolina, became flooded with surreptitious gins to such an extent as not only to preclude the use, but even to prevent the sale of the original gin.

The next step taken by Whitney was, to appeal to the legislature of South Carolina to purchase his patent for the state, to which measure he had been urged by a number of influential citizens, for one hundred thousand dollars. The result of this appeal may be learned from a letter addressed by him to a friend on the subject, immediately after the adjournment of the session of the legislature which acted on the subject:

"COLUMBIA, SOUTH CAROLINA, Dec. 20, 1801.

"Dear Stebbins,

"I have been at this place a little more than two weeks, attending the legislature. They closed their session at 10 o'clock last evening. A few hours previous to their adjournment, they voted to purchase, for the State of South Carolina, my patent right to the machine for cleaning cotton, at fifty thousand dollars, of which sum, *twenty thousand is to be paid in hand, and the remainder in three annual payments, of ten thousand dollars each.*

"This is selling the right at a great sacrifice. If a regular course of law had been pursued, from two to three hundred thousand dollars would undoubtedly have been recovered. The use of the machine here is amazingly extensive, and the value of it beyond all calculation. It may, without exaggeration, be said to have raised the value of seven-eighths of all the three Southern States from fifty to one hundred per cent. We get but a song for it in comparison with the worth of the thing; but it is *securing* something. It will enable Miller & Whitney to pay all their debts, and divide something between them. It establishes a precedent which will be valuable as it respects our collections in other States, and I think there is now a fair prospect that I shall in the event realize property enough to render me comfortable, and in some measure independent.

"Though my stay here has been short, I have become acquainted with a considerable part of the members of the legislature, and of the most distinguished characters in the State. My old classmate, H. D. W., is one of the Senate. He ranks among the first of his age in point of talents and respectability. He has shown me much polite attention, as have also many others of the citizens."

Truly your friend,

ELI WHITNEY.

J. Stebbins, Esq.

The States of North Carolina and Tennessee, each of which had now directed their attention to the culture of cotton, seemed to be willing to award him a meed of justice, and after numerous public meetings in both of these States, at one of which the late president, Andrew Jackson, presided, the subject was formally brought before both legislatures. The legislature of North Carolina laid a tax of two shillings and six pence on every saw used in ginning cotton, for five years, to be collected by the State and to be paid to Whitney. The tax levied by the State of Tennessee was thirty-seven and a half cents on every saw used in the State,

to be continued for four years, and collected as in the State of North Carolina.

Thus after so many years of toil and disappointment, in which thousands of individuals had become enriched through the medium of his invention, the projector seemed on the eve of realizing some substantial compensation for his labors, and reward for his genius. But here too, the sparkling cup of prosperity was presented to his parched lips, to be snatched away ere he could quaff its vivifying draught. The State of South Carolina not only suspended the payment of the sums yet due under its former law, but directed that a suit should be instituted against Whitney and his partner, for the recovery of the money already paid to them. The grounds of this second law, were first, that it was a matter of doubt whether the gin of Whitney was an original invention, and second his failure to comply with the law furnishing within a specified time two model machines to the State. This second law was subsequently repealed, and full justice was awarded to him by the State, but the blow which this act of the legislature inflicted upon him was severely felt. The States of North Carolina and Tennessee, on witnessing the action of South Carolina, wavered in their course, and failed to collect with regularity the tax imposed by their legislatures. In addition to this, the suits, of which some hundred were instituted, were seriously affected, and required greater exertions and a more than reasonable amount of proof to sustain them.

We do not intend to follow Mr. Whitney through his numerous and never ending law suits, but will content ourselves with giving the opinion of Judge Johnson, which has been frequently quoted, as setting forth clearly and concisely the facts of the case, and which with equal force apply to all the others. The case in which this opinion was delivered was that of Whitney vs. Fort, tried in Savannah, in December, 1807, asking for an injunction.

"The complainants, in this case, are proprietors of the machine called the saw gin. The use of which, is to detach the short staple cotton from its seed.

"The defendant, in violation of their patent right, has constructed, and continues to use this machine; and the object of this suit is to obtain a perpetual injunction to prevent a continuance of this infraction of complainant's right.

"Defendant admits most of the facts in the bill set forth, but contends that the complainants are not entitled to the benefits of the act of Congress on this subject, because—

1st. The invention is not original.

2d. Is not useful.

3d. That the machine which he uses is materially different from their invention, in the application of an improvement, the invention of another person.

"The court will proceed to make a few remarks upon the several points as they have been presented to their view: whether the defendant was now at liberty to set up this defence whilst the patent right of complainants remains unrepealed, has not been made a question, and they will therefore not consider it.

"To support the originality of the invention, the complainants have produced a variety of depositions of witnesses, examined under commission, whose examination expressly proves the origin, progress and completion of the machine by Whitney, one of the copartners. Persons who were made privy to his first discovery, testify to the several experiments which he made in their presence before he ventured to expose his invention to the scrutiny of the public eye. But it is not necessary to resort to such testimony to maintain this point. The jealousy of the artist to maintain that reputation which his ingenuity has justly acquired, has urged him to unnecessary

pains on this subject. There are circumstances in the knowledge of all mankind which prove the originality of this invention more satisfactorily to the mind, than the direct testimony of a host of witnesses. The cotton plant furnished clothing to mankind before the age of Herodotus. The green seed is a species much more productive than the black, and by nature adapted to a much greater variety of climate. But by reason of the strong adherence of the fibre to the seed, without the aid of some more powerful machine for separating it, than any formerly known among us, the cultivation of it would never have been made an object. The machine of which Mr. Whitney claims the invention, so facilitates the preparation of this species for use, that the cultivation of it has suddenly become an object of infinitely greater national importance than that of the other species ever can be. Is it then to be imagined that if this machine had been before discovered, the use of it would ever have been lost, or could have been confined to any tract or country left unexplored by commercial enterprise? but it is unnecessary to remark further upon this subject. A number of years have elapsed since Mr Whitney took out his patent, and no one has produced or pretended to prove the existence of a machine of similar construction or use.

"2d. With regard to the utility of this discovery, the court would deem it a waste of time to dwell long upon this topic. Is there a man who hears us, who has not experienced its utility? the whole interior of the Southern States was languishing, and its inhabitants emigrating for want of some object to engage their attention, and employ their industry, when the invention of this machine at once opened views to them which set the whole country in active motion. From childhood to age it has presented to us a lucrative employment. Individuals who were depressed with poverty and sunk in idleness, have suddenly risen to wealth and respectability. Our debts have been paid off. Our capitals have increased, and our lands trebled themselves in value. We cannot express the weight of the obligation which the country owes to this invention. The extent of it cannot now be seen. Some faint presentiment may be formed from the reflection that cotton is rapidly supplanting wool, flax, silk; and even furs in manufactures, and may one day profitably supply the use of specie in our East India trade. Our sister States, also, participate in the benefits of this invention; for, besides affording the raw material for their manufacturers, the bulkiness and quantity of the article afford a valuable employment for their shipping.

"3d. The third and last ground taken by defendant, appears to be that on which he mostly relies. In the specification, the teeth made use of are of strong wire inserted into the cylinder. A Mr. Holmes has cut teeth in plates of iron, and passed them over the cylinder. This is certainly a meritorious improvement in the mechanical process of constructing this machine. But at last what does it amount to, except a more convenient mode of making the same thing. Every characteristic of Mr. Whitney's machine is preserved. The cylinder, the iron tooth, the rotary motion of the tooth, the breast work and brush, and all the merit that this discovery can assume, is that of a more expeditious mode of attaching the tooth to the cylinder. After being attached, in operation and effect they are entirely the same. Mr. Whitney may not be at liberty to use Mr. Holmes' iron plate. But certainly Mr. Holmes' improvement does not destroy Mr. Whitney's patent right. Let the decree for a perpetual injunction be entered."

One of the peculiar characteristics of Whitney's mind was a remarkable perseverance in his undertakings, and this characteristic was never more fully developed than in conducting the law suits necessary to secure his patent from innovation. Those who were best acquainted with him at this period, had frequent occasion to remark, this indomitable perseverance under circumstances which seemed about to crush for ever his hopes.

Having thus given a history of the cotton gin, and the difficulties which beset the pathway of its inventor, during the time he was occupied in attempting to bring it into use, we will now proceed to examine some of the statistics of the cotton trade in order to ascertain the real value which this machine bears to this most important branch of American industry.



## The cotton crop grown in

| The year. | In the world.<br>Millions lbs. | In the U. States.<br>Millions lbs. | Capital invested in its<br>production in the U. States. |
|-----------|--------------------------------|------------------------------------|---------------------------------------------------------|
| 1790.     | 490                            | 2                                  | \$3,500.000                                             |
| 1800.     | 520                            | 48                                 | 80,000.000                                              |
| 1810.     | 555                            | 80                                 | 134,000.000                                             |
| 1820.     | 630                            | 180                                | 300,000.000                                             |
| 1830.     | 820                            | 385                                | 650.000.000                                             |
| 1840.     |                                | 790                                | 1287,000.000                                            |
| 1847.     |                                | 1,026                              | 1731,000.000                                            |

From this table, which is based upon the statements of Mr. Woodbury and the Commissioner of Patents, it will be seen that up to the commencement of the present century the cultivation of cotton was far from an important business in the United States, and we have already shown that the value of its culture depended exclusively on the success of some means by which the seed could be easily separated from the filaments of cotton. No sooner, therefore, was it ascertained that Whitney's gin could accomplish this end, than the whole Southern States turned their attention to its culture, and it has gone on steadily increasing until the United States at the present day furnish the larger proportion of cotton consumed in the manufactories of the entire world. Previous to 1790, the United States furnished no cotton to the English manufacturers. During the last year the exports to England amounted to 338 millions pounds, of which 333 millions pounds were the upland growth, whose culture was immediately connected with Whitney's gin.

In England the amount of capital employed in the manufacture of cotton, is estimated to exceed £34,000.000. From the census returns for 1840, we learn that the number of spindles in operation in the U. States are 2,284,631, employing immediately 72,119 persons, having a capital of \$51,102.395, and annually producing fabrics valued at \$46,350.453.

These statistics demonstrate the immense value of the cotton interest to this country, not only as furnishing a staple which will readily be taken in exchange for the products of the world, but likewise as a means of employing thousands of individuals profitably in its manufacture. How much of the prosperity which has flowed in upon this country through the agency of its cotton trade, is due to the inventor of the cotton gin, can now hardly be estimated. No one will pretend to deny that without the exhibition of the mechanical genius of Arkwright, Hargreaves, Cartwright, and Watt, England would never have attained her present proud position as a manufacturing nation, and it may not be too much to say that if the genius which called forth the cotton gin had been permitted to slumber, our Southern States would at the present day have been engaged in the culture of rice and tobacco, and we should have still looked to Brazil and the East Indies for cotton, as we now do to China for tea.

"Without a vastly increased supply of the raw material at a lower price than it had formerly brought, the inventions of Hargreaves, Arkwright, and Watt, would have been of comparatively little value. Luckily however, what they did for the manufacturers, Mr. Eli Whitney did for the cotton growers. This astonishing person, a na-

tive of the Northern States of America, invented a machine, by which cotton wool is separated from the seed with the utmost facility and expedition. Previously to 1790, the U. States did not export a single pound of raw cotton, in 1792 they exported the trifling quantity of 138,328 pounds. Whitney's invention came into operation in 1793, and in 1794, 1,601,760, and in 1795, 5,276,306 pounds were exported. and so astonishing has been the growth of cotton in the interval occasioned by this discovery, and the discoveries made in England, that in 1838 the exports from the U. States amounted to the prodigious quantity of 595,952,297 pounds."

BRAND'S COTTON MANUFACTURE.

Its inventor however, early foresaw the slender chance of personal emolument from this source, and although he never ceased to prosecute it with untiring energy, yet with a prudence peculiar to the land of his birth, he sought the means of increasing his gains, in an object which if not as beneficial, at least proved more immediately lucrative. This was the manufacture of muskets for the government. He established his armory on a little stream, whose banks abounded with the most romantic scenery, about two miles from New Haven, in Connecticut. On this spot, now called Whitneyville, which was doubtless recommended to him by many of the associations of his college days, he erected his works which have since served as a model for many of the more extensive manufacturing establishments of our country.

The immediate cause of the establishment of this armory was a contract which he had entered into with the government in January, 1798, to supply it with ten thousand muskets, within the short space of two years. Without the requisite buildings, machinery, or even a knowledge of the business in which he had newly engaged, it seemed hardly possible for him to comply with the terms of the contract, yet relying on his general knowledge of mechanics, and his inventive genius, he set himself boldly to the task, which to others seemed little less than chimerical. The government advanced five thousand dollars, to enable him to commence his works, and with the aid of several kind friends he was enabled to obtain a loan of ten thousand more. The expenditures involved in the works so greatly exceeded his expectations, that the government found it necessary to make a further advance of fifteen thousand dollars, before they were in a condition to commence the manufacture of the arms. The space of time however, allotted to the contract was extended from two to ten years.

A new contract was entered into by him with the government, to supply them with fifteen thousand additional stands of arms in 1812, a strong argument of the satisfactory manner in which he had complied with his former engagements. The skill and ingenuity which manifested themselves in every part of the machinery connected with his armory, at once displayed the peculiar character of mind of its presiding genius. He personally superintended its entire arrangements, and from the commonest tool to the most intricate piece of machinery, the whole establishment possessed a finish and applicability to the purposes for which it was intended, of which no establishment of his day could boast. Professor Silliman who had known him for upwards of a quarter of a century, says, "I was frequently led to observe that his ingenuity extended to every subject which demanded his attention; his arrangements even of common things were marked by singular good taste, and a prevailing principle of order."

"The effect of this mental habit is very obvious in the disposition of the buildings, and the accommodation of his manufactory of arms,—although owing to the infirmities of his later years, and to other causes, his arrangements were never finished to the full extent of his views. The machinery has great neatness and finish, and in its operation, evinces a degree of precision and efficiency, which gratifies every curious and intelligent observer. I have many times visited the establishment with strangers and foreigners, who have gone away delighted with what they had seen."

The plan originated with Whitney of having every part of the fire arm conform as nearly as possible to a similar part of another. This plan has since been more effectually adopted in the manufacture of the government arms. Under his present contract with the government, Mr. Jenks, the amiable inventor of the many chambered carbine, manufactures this article with such accuracy, that if one thousand stand of carbines were to be unbreeched and their locks removed, a lock, stock, or barrel, selected promiscuously from them, would in every instance fit as accurately as if the three had been made especially for each other.

The manufacture of arms proved a much greater source of profit to him, than the masterly inventions of the gin, and although he was in after years the recipient of considerable sums of money from this source yet he used frequently to say that all he had ever received from the cotton gin was no more than a remuneration for the immense outlays he had incurred, and the time he had devoted to the enterprize during the best years of his life. How different the reward of Coleman, the ingenious inventor of the ælean attachment to the piano forte, who in the short space of six months found himself possessed of a fortune of half a million of dollars from this source. He unfortunately died immediately after attaining his suddenly acquired affluence.

Whitney was neither a selfish nor a solitary man, and from an early period in his life had looked forward to a suitable matrimonial alliance, as a source of unalloyed happiness. As early as 1797, in writing to his partner, (Miller,) he says: "I am now quite far enough advanced in life to think seriously of marrying. I have often looked forward to an alliance with an amiable and virtuous companion, as a source of happiness from whence I have expected one day to derive great happiness. But the accomplishment of my tour to Europe, and the acquisition of something which I can call my own, appears to be absolutely necessary, before it will be admissible for me even to *think* of family engagements." Under the influence of this extreme and laudable caution, he deferred entering into matrimonial engagements until the year 1817; in the January of which year he married the youngest daughter of Judge Edwards, of the District Court of Connecticut.

This union was crowned with all that happiness which he had reason to anticipate from it. Fortunate in the selection of an amiable and intelligent partner, and blessed by four interesting children, he was now enabled to indulge in the realization of those pleasing dreams with which he had always invested a life of domestic happiness.

Surrounded by the delightful and picturesque scenery in the midst of which he had located his home, and lulled by the quiet serenity of his

domestic circle, the five succeeding years proved to be among the happiest of his life. In comfortable, if not affluent circumstances, with a reputation as extended as the culture and use of cotton, surrounded by a large circle of warm and confiding friends, and happy in his domestic relations, fortune seemed about to make him some compensation for the toil and perplexity of former years, but in the midst of so many elements of happiness, disease appeared to mar his pleasure, and prove to him the little reliance to be placed in all earthly enjoyment.

In the fall of 1822, immediately after his return from a visit to Washington, he observed the first indications of an enlargement of the prostate gland, which never left him until it terminated, after a lingering and painful illness, in his death, on the 8th of January, 1825. During his illness he entered into that calm and critical examination of his disease which had characterized all his future operations in life. He consulted the opinions of medical writers upon the subject, and noted down such facts as applied to his individual case. He even requested his physicians to exhibit to him such anatomical illustrations as they possessed, which he examined with much care, and freely discussed with the medical attendants the chances for and against him, at the various stages of his disease, yet strange to say, with an apparent inconsistency which we should have hardly expected to find in him, he directed that no autopsy of his body should be made after his decease.

His distinguished friend, Professor Silliman, who was a constant attendant upon him during his years of illness, observes :

"During this period, embracing at intervals several years, he devised and caused to be constructed various instruments, for his own personal use, the minute description of which would not be appropriate in this place. Nothing that he ever invented, not even the cotton gin, discovered a more perfect comprehension of the difficulties to be surmounted, or evinced more efficient ingenuity, in the accomplishment of his object. Such was his resolution and perseverance, that from his sick chamber, he wrote both to London and Paris, for materials important to his plans, and he lived to receive the things he required and to apply them in the way he intended. He was perfectly successful, so far as any mechanical means could afford relief or palliation; but his terrible malady bore down his constitution, by repeated, and eventually by incessant inroads, upon the powers of life, which at last yielded to assaults which no human means could avert or sustain."—*Silliman's Journal*, Vol. 21, p. 259.

A review of his life must we think satisfy all that he was endowed with a mind of a very high order. His inventive genius, which was not confined to one great object, but left its impress upon every subject however trivial, which commanded his attention, was unequalled by any one of his age. It would be too much to say that his ability to achieve any undertaking in mechanics was without limit, but it is very certain that he never was known to undertake a mechanical task in which he failed to succeed.

An individual of the particular class of genius to which Whitney belonged, might readily be excused for the exhibition of peculiarities which would have unfitted him in some degree for social intercourse, but he was superior to, and above all, such peculiarities. United to a large and commanding person, he combined manners polished by education, and a constant intercourse with the most refined society. He was generous and amiable in his disposition, and was ever open to the appeals of hu-

manity; his expenditures in acts of pure generosity could not be covered by many thousands of dollars. He was fond of social intercourse, and on such occasions possessed a rare fund of conversational ability, and always delighted by the rich stores of his intellect. To his friends he was warmly attached, and retained many from early youth, among whom were some of the most distinguished personages in the land. He lived and died respected for his private worth, his unostentatious benevolence, and his public benefactions. Great in his life, honored in his death, no more noble and lofty praise can be bestowed upon him, than that which is inscribed on his tomb, that he was

THE INVENTOR OF THE COTTON GIN.

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## DEBT AND BANKRUPTCY.

From Chambers' *Edinburg Journal*, 1848.

THE insolvent debtor among the Romans was cut to pieces and distributed among his creditors. Even in England, the bankrupt was treated as a criminal, and subjected to the personal punishment of imprisonment. In Scotland, till a hundred years ago, they set the 'dyvour' upon a pillory, with stockings of various colors, to subject him to the scorn of the multitude. All these are traits of the natural sense of mankind regarding the immorality of insolvable debt. Recognizing it as a positive encroachment upon each other's rights and property, they are disposed to punish it accordingly. We are indebted to two things for the change of public sentiment about insolvency—increased humanity, and the new aspect which debt assumes when it is contracted in the course of commercial transactions. We are now no more inclined to be severe with debtors than with others who injure us. The bankruptcy laws have partaken of the amelioration of the criminal code generally. We now trust for our protection here, as against more violent offences, more to the moral influences working in society, than to the vengeance of the law. And when we become familiarised, as we are, with mercantile engagements, in which all are debtors and creditors by turns—not that one may live upon another's means, but because of a mere expediency in the transacting of business—we cease to regard such obligations in that personal light in which they were once contemplated. Failures to fulfil engagements appear as only the effects of miscalculation or mischance. And then that sense, that what may be your turn to-day may be mine to-morrow, makes us 'wondrous kind.' It is like the Irish small farmer being so gracious to the poor wayfaring beggar, because he does not know but what it may be his own fate next winter. It is a case proved by exceptions; for where is it that bankruptcy is still beheld with the greatest share of the ancient horror?—Always in private communities,

such as little country towns, where no complicated business engagements exist.

But indiscriminating humanity and commerce may carry us too far in our changed views regarding debt and bankruptcy. At least it appears as if very culpable cases were sometimes looked on somewhat too leniently, and as if some of the salutary checks which formerly existed would now be well resorted to. Some discrimination regarding various kinds of insolvents is needed; and there might even be some improvement counselled as to our ordinary ideas regarding the purest of commercial bankruptcies.

When a person in private life, with an ascertainable income, and liable to no risks which can damage his resources, is found short of means to liquidate his obligations, what should we say of or do to him? We may not choose to inflict any tangible vengeance—we may give him the benefit of that meekness of judgment which would speak tenderly of all human infirmity; but undoubtedly this person has been guilty of a great fault. He has committed a practical aggression on the rights of his neighbors. He has either done this from undue love of his own gratifications, or from a recklessness about his affairs which every reasonable person knows cannot be indulged in without the greatest danger. Society ought not to forgive it *too* easily. Such a person is not entitled to stand exactly on the same platform of moral repute with those who keep clear of debt. So society will say in its cool moments; but, unluckily, one of its perverse sympathies interferes with the maintenance of the principle. Men in the mass feel *for* the poor and embarrassed, and *against* the rich, or those who have enough. Very often those who fall short are easy-natured, kind-hearted men, and therefore popular. Persons in the opposite circumstances often are of hard character—not general favorites. Then our selfhood is more soothed in looking on a downcast or outcast person, than on one who stands in all the pride of independence. Thus it comes about that society never visits debtors of this class with the full punishment which, as guilty of an infraction of rights, they deserve. It might be different if we were to get quit of the fallacies which beset the case. Creditors are not necessarily either rich, or hard, or self-sufficient, but often very much the reverse. Neither are debtors always necessarily generous: having used their neighbors' property for their own benefit and indulgence, it may fairly be inferred of them that they are fully as likely to be selfish. But we cannot, it will be said, shake off fallacies resting on sympathies so deeply founded in our nature. Then our sufferings from foolish and unprincipled debtors are the penalty which we must pay for our absurdity. Let not debtors, however, exult too much in the privilege, or take too much advantage of it. It is, after all, but pity which is extended to them—a sentiment whose associations are in no good savor in human experiences. Nothing can save debt from the stamp which destiny has put upon it—degradation. The reckless may therefore feel assured that, in the long run, it is somewhat better to be over an equality with the world than below it.

In commercial insolvency there is a less direct appearance of selfishness in the debtor, in as far as the articles for which the debt was contracted are not for objects of domestic consumption or personal gratifi-

cation. The culprit seems only a loser in a game of chance. Things have gone against him. He has met with losses. The very machinery, so to call it, of business blinds us somewhat to the position he is in. We only see so many ruled books of accounts, and little slips of inscribed paper. We only hear of 'state of the money market,' acceptances, returned paper, assets, dividends, and other terms more metaphysical than real. It is difficult, particularly when the transactions are of large amount, to connect the case with human passions, error, and trespass. Yet even here the moralist may come in with his rebukes and warnings. The aim of the commercial man in the contracting of his obligations is, after all, a selfish one; he intends by the results of such transactions, to obtain exactly those tangible indulgences which have brought his non-commercial neighbor into debt. It is, in the world's morality, legitimate to follow this object with one's own means and industry; but it never can be so to follow it by means of the property of another man. Such is the case of him who trades chiefly upon means not his own; who, in other words, trades largely upon credit. If A B, for example, possessing property to the value of only five thousand pounds, orders foreign corn to the amount of fifty thousand, in the hope of making fifteen thousand by it, while there is a chance on the other hand that, by a fall of markets, it may only sell for thirty, he undoubtedly is risking a loss of fifteen thousand pounds to his creditors for the chance of making as much for himself. Rightly judged, this is an unprincipled action—as much so as to commit positive larceny. Yet, sad to say, this is the system pursued by a vast proportion of commercial men. All trading beyond a proper substratum of means is only a kind of masked profligacy—unless, indeed, credit is pushed upon a man by others, who have their own selfish objects in view; in which case the insolvent may be as much the sinned against as the sinning. We were lately told of mercantile houses which had not been in a position to pay all their debts within the memory of any person; yet the partners had been living in handsome style, upon these ventures of the means of others; during a series of generations!—What a false and hollow life! It could never find one voice to justify it, if there were not so many involved in some degree in the turpitude. One painful consideration is, that many, if they would keep to their own means, might be prosperous and happy; but unable to rest satisfied with moderate doings, they rush into the difficulties consequent upon credit, and thus make for themselves great reverses. It appears as if some men had such a liking for embarrassment as others have for opium or brandy, and never could be at rest except when tossed about in a forest of dilemmas. Talk of the frivolous lives of the ultra-gay, of the unhealthy lives of the poor, but what can be more forced, unhealthy, or unnatural, than the life of one of these infatuates of the business world, who rush from speculation to speculation, as if to gratify a morbid love of excitement, and, in the absorbment of their daily avocations, forget nearly every domestic tie?

It surely might be possible to make the proper allowance for the bankruptcies occurring through inevitable misfortunes, and yet be sufficiently alive to the nature of those cases in which there had been no right substantial basis of means from the beginning, or where business had been

persevered in long after the right means had ceased to exist. Were the latter course marked by the public as immoral, which is its real character, we might hope to see it less frequently followed.

Perhaps there is need for some reform of our whole ideas regarding credit. When it is said that without credit business could not be carried on, that credit is the soul of business, and so forth, a truth is stated; but it does not properly imply anything more than this, that a man must be believed to have the means, as well as the honest intention, of discharging his obligations, in order that his transactions may go on smoothly, seeing that it is practically impossible, in any but a small class of cases, to hand the money in exchange for goods. It is to be feared that with the mercantile class generally, the maxim has come to sanction the incurring of obligations without any very rigid regard to the means of discharging them. Some appear to worship it as a principle which comes in place of, and dispenses with, capital; but in as far as it is not expressly referable to actual means—that is, the means of making good, and that readily, any difference between the value of goods purchased or engaged for, and that to which they may fall, and all other unfavorable contingencies which may be expected to take place in the course of business—it is a delusion and a snare. Men proclaim that the business of the world would be at a stand-still if there were not this faith, not in things unseen, but in things which do not exist. We deny the assertion. The business of the world would be executed by men possessing real means, if it were not anticipated by men without means. The traders on *fiction*, who are a species of impostors, only so far prevent those who would trade on *fact* from having their legitimate share of the said business; and how far it would be better for the public at large that the latter class were not thus interfered with, it is superfluous to say.

There are no doubt wonderful doings amongst those who work upon fiction: happy strokes, dashing successful adventures, where there was no substance to stand good in the case of an opposite result, are well known. But these are only dangerous exceptions from the rule. The chances are, in reality, much against the success of a business conducted too much on credit. It is a system which always involves a higher scale of prices, and which is costly in its own procedure; thus reducing or extinguishing profits. There is even a more fatal evil attending it, in the demand which it makes on the time and energies of the trader, merely to supply ways and means. The few, as comparatively they may be called, who take the opposite plan, thrive as much by the freedom in which their minds are left to attend to the real affairs of business, as by any advantage they have in getting all things at the greatest advantage. It is merely the mistake of excessive acquisitiveness, or of rashness in combination with ignorance, that business cannot be limited to actual means. There is nothing to prevent it, if men will only be contented to do that in ten years which requires ten years, and not to attempt doing it in five, or three, or any shorter time. Let them use the gains of one year for the business of the next, and never try to make any sum of money do more than its proper amount of work. If they are to make a risk, let it strictly be one which, in its worst issue, will not embarrass them. On such principles, they will conduct their affairs with peace of



mind, and with the best likelihood of success. Are such persons above credit—or is credit slighted by their course of procedure? Not at all. These persons enjoy true credit, in there being such an assurance of their substantiality, that whatever they wish to purchase, will be sent on their order—the whole play of the blood and muscle of their business will be healthy by reason of the dependence placed on them. Such is, in truth, the only right kind of credit. That which enables one man to do without money what another man does with it, is, as has been already said, a delusion.

The philosophy of these remarks entirely applies to the question regarding a circulating medium. Barter is, after all, the fundamental idea of commerce. When we pay for articles in gold, we are only exchanging one article for another. It is more convenient and economical to have notes representing the gold; but this does not necessarily imply that we may have notes which there is no gold to represent. That were to proceed upon fiction instead of fact. The gold lying in the coffers of the note-issuing company is not idle. It is serving all the time as a basis for the ideal character of the notes out of doors. But may there not be notes representing land, or houses, or goods, as well as gold? It has been tried and found wanting.\* The basis article must be readily available and receivable, otherwise the ideal money loses character, and its function ceases. Whatever tends to prevent a currency of this kind, or of any kind but that which is immediately backed by substances which mankind set a distinct value upon, and are always willing to receive at a certain rate, must be serviceable to the true interests of the community. There may be some evils attending it, not springing from itself, but from the imprudence which it checks; but the general force of this principle is clearly advantageous.

The evils of debt and bankruptcy may be said, like many others, to arise from the blind efforts of human ignorance and passion to fly in the face of natural ordinations which we cannot resist with impunity. If men would observe and go along with these ordinations, they would so far secure their happiness. But it so happens that a man may receive what is called a perfect or first-rate education, and yet be unacquainted with some of the very primary rules affecting his well-being as an inhabitant of the earth. The period of comparative security from this class of evils must, therefore, be expected only when the knowledge of mankind has been increased.

\*In America particularly. The Scottish banks are remarkable for the large business they long carried on upon the basis of general property; but for this there are special reasons in the smallness of the country, which makes every man's circumstances readily known, and in the extreme prudence with which the business of banking was always conducted in this part of the empire. These things, with time, produced confidence, and enabled bankers to do with less gold than is usually necessary.

FINANCES OF THE UNITED STATES.

DEBTS, IMPORTS, EXPORTS, TONNAGE AND COINAGE OF THE UNITED STATES, FOR EACH YEAR FROM 1791 TO 1846.

| Years. | Debt.        | Imports.     | Exports.     | Tonnage.  |
|--------|--------------|--------------|--------------|-----------|
| 1791   | \$75,463,476 | \$52,200,000 | \$19,012,041 | 502,146   |
| 1792   | 17,227,924   | 31,500,000   | 20,753,098   | 564,437   |
| 1793   | 80,352,634   | 31,100,000   | 26,109,572   | 491,780   |
| 1794   | 78,427,405   | 34,600,000   | 33,026,233   | 628,817   |
| 1795   | 80,747,587   | 69,756,268   | 47,989,472   | 747,964   |
| 1796   | 83,762,172   | 81,436,164   | 67,064,097   | 831,900   |
| 1797   | 82,064,479   | 75,379,406   | 56,850,206   | 876,913   |
| 1798   | 79,228,529   | 68,551,700   | 61,527,097   | 898,328   |
| 1799   | 78,408,670   | 79,063,148   | 78,665,522   | 946,408   |
| 1800   | 82,976,294   | 91,252,768   | 70,971,780   | 972,492   |
| 1801   | 83,038,051   | 111,363,511  | 94,115,925   | 1,033,211 |
| 1802   | 80,712,632   | 76,333,333   | 72,483,160   | 892,101   |
| 1803   | 77,054,686   | 64,666,666   | 55,800,033   | 949,147   |
| 1804   | 86,427,121   | 85,000,000   | 77,699,074   | 1,042,404 |
| 1805   | 82,312,150   | 120,000,000  | 95,566,021   | 1,140,369 |
| 1806   | 75,723,271   | 129,000,000  | 101,536,963  | 1,208,735 |
| 1807   | 69,218,399   | 138,500,000  | 108,343,150  | 1,268,548 |
| 1808   | 65,196,318   | 56,990,000   | 22,439,960   | 1,242,595 |
| 1809   | 57,023,192   | 59,400,000   | 52,203,231   | 1,350,281 |
| 1810   | 53,173,217   | 85,400,000   | 66,757,974   | 1,424,783 |
| 1811   | 48,005,586   | 53,400,000   | 61,316,831   | 1,232,502 |
| 1812   | 45,209,738   | 77,030,000   | 38,527,236   | 1,269,997 |
| 1813   | 55,962,828   | 22,005,000   | 27,855,997   | 1,666,628 |
| 1814   | 81,487,846   | 12,965,000   | 6,927,441    | 1,159,209 |
| 1815   | 99,833,060   | 113,041,274  | 52,557,753   | 1,368,127 |
| 1816   | 127,334,934  | 147,103,000  | 81,920,452   | 1,372,218 |
| 1817   | 123,491,965  | 99,250,000   | 87,671,569   | 1,399,911 |
| 1818   | 103,466,634  | 121,750,000  | 93,281,133   | 1,225,184 |
| 1819   | 95,529,648   | 87,125,000   | 70,142,521   | 1,260,751 |
| 1820   | 91,015,566   | 74,450,000   | 69,691,669   | 1,280,166 |
| 1821   | 89,987,428   | 62,585,724   | 64,974,382   | 1,298,958 |
| 1822   | 93,546,677   | 83,241,541   | 72,160,281   | 1,324,699 |
| 1823   | 90,875,877   | 77,579,267   | 74,699,030   | 1,336,565 |
| 1824   | 90,269,778   | 80,549,007   | 75,986,657   | 1,389,163 |
| 1825   | 83,788,433   | 96,340,075   | 99,535,388   | 1,423,112 |
| 1826   | 81,054,060   | 84,974,477   | 77,595,322   | 1,534,190 |
| 1827   | 73,987,357   | 79,484,068   | 82,324,827   | 1,620,608 |
| 1828   | 67,475,044   | 88,509,824   | 72,264,686   | 1,741,392 |
| 1829   | 58,421,414   | 74,492,527   | 72,358,671   | 1,260,978 |
| 1830   | 48,565,406   | 70,876,920   | 73,849,508   | 1,191,776 |
| 1831   | 39,123,192   | 103,191,134  | 81,310,583   | 1,267,846 |
| 1832   | 24,322,235   | 101,029,266  | 87,176,943   | 1,439,450 |
| 1833   | 7,001,699    | 108,118,311  | 90,140,433   | 1,601,150 |
| 1834   | 4,760,082    | 126,521,332  | 104,336,973  | 1,759,907 |
| 1835   | 37,733       | 149,895,742  | 121,693,577  | 1,824,940 |
| 1836   | 37,513       | 189,980,036  | 128,663,040  | 1,992,102 |
| 1837   | 1,878,224    | 140,989,217  | 117,419,376  | 1,896,685 |
| 1838   | 4,857,660    | 108,486,616  | 113,717,404  | 1,995,639 |
| 1839   | 11,983,738   | 121,028,416  | 162,092,132  | 2,096,478 |
| 1840   | 5,125,078    | 131,571,950  | 104,805,891  | 2,180,784 |
| 1841   | 6,737,398    | 127,946,177  | 121,851,803  | 2,130,744 |
| 1842   | 15,028,486   | 100,162,087  | 104,691,534  | 2,092,390 |
| 1843   | 26,898,953   | 64,753,799*  | 84,346,480*  | 2,158,602 |
| 1844†  | 26,143,996   | 108,435,035† | 111,200,046† | 2,280,095 |
| 1845†  | 16,801,647   | 117,254,564† | 114,646,606† | 2,417,002 |
| 1846†  | 24,256,495   | 121,691,797† | 113,488,516† | 2,562,084 |

\*Only nine months of 1843.

†For the year ending June 30.

*Coinage of the Mint of the United States, from 1792, including the coinage of the Branch Mints from the commencement of their operations, in 1838.*

| Years. | Gold.<br>Value. | Silver.<br>Value. | Copper.<br>Value | No. of pieces.. | Whole Coinage.<br>Value. |
|--------|-----------------|-------------------|------------------|-----------------|--------------------------|
| 1793-5 | \$71,485 00     | \$370,683 80      | \$11,373 00      | 1,834,420       | \$453,541 80             |
| 1796   | 102,727 50      | 79,077 50         | 10,324 40        | 1,219,370       | 192,129 40               |
| 1797   | 103,422 50      | 12,591 45         | 9,510 34         | 1,095,165       | 125,524 29               |
| 1798   | 205,610 00      | 330,291 00        | 9,797 00         | 1,368,241       | 545,698 00               |
| 1799   | 213,285 00      | 423,515 00        | 9,106 68         | 1,365,681       | 645,906 68               |
| 1800   | 317,760 00      | 224,296 00        | 29,279 40        | 3,337,972       | 571,335 40               |
| 1801   | 422,570 00      | 74,758 00         | 13,628 37        | 1,571,390       | 510,956 37               |
| 1802   | 423,310 00      | 58,343 00         | 34,422 83        | 3,615,869       | 516,075 83               |
| 1803   | 258,377 50      | 87,118 00         | 25,203 03        | 2,780,830       | 370,698 53               |
| 1804   | 258,642 50      | 100,340 50        | 12,844 94        | 2,046,839       | 371,827 94               |
| 1805   | 170,367 50      | 149,388 50        | 13,483 48        | 2,260,361       | 333,239 48               |
| 1806   | 324,505 00      | 471,319 00        | 5,260 00         | 1,815,409       | 801,084 00               |
| 1807   | 437,495 00      | 597,448 75        | 9,602 21         | 2,731,345       | 1,044,595 96             |
| 1808   | 284,665 00      | 684,300 00        | 13,090 00        | 2,935,888       | 982,055 00               |
| 1809   | 169,375 00      | 707,376 00        | 8,001 53         | 2,861,834       | 884,752 53               |
| 1810   | 501,435 00      | 638,773 50        | 15,660 00        | 3,056,418       | 1,155,868 50             |
| 1811   | 497,905 00      | 608,340 00        | 2,495 95         | 1,649,570       | 1,108,740 95             |
| 1812   | 290,435 00      | 814,029 50        | 10,755 00        | 2,761,646       | 1,115,219 50             |
| 1813   | 477,140 00      | 620,951 50        | 4,180 00         | 1,755,331       | 1,102,275 50             |
| 1814   | 77,270 00       | 561,687 00        | 3,578 30         | 1,833,859       | 642,535 80               |
| 1815   | 3,175 00        | 17,308 00         | .....            | 69,867          | 20,483 00                |
| 1816   | .....           | 28,575 75         | 28,209 82        | 2,888,135       | 56,785 57                |
| 1817   | .....           | 607,783 50        | 39,484 00        | 5,163,967       | 647,267 50               |
| 1818   | 242,940 00      | 1,070,454 50      | 31,670 00        | 5,537,084       | 1,345,064 50             |
| 1819   | 258,615 00      | 1,140,000 00      | 26,710 00        | 5,074,723       | 1,425,325 00             |
| 1820   | 1,319,030 00    | 501,680 70        | 44,075 50        | 6,492,509       | 1,864,786 20             |
| 1821   | 189,325 00      | 825,762 45        | 3,890 00         | 3,139,249       | 1,018,977 45             |
| 1822   | 88,980 00       | 805,806 50        | 20,723 39        | 3,813,788       | 915,509 89               |
| 1823   | 72,425 00       | 895,550 00        | .....            | 2,166,485       | 967,975 00               |
| 1824   | 93,200 00       | 1,752,477 00      | 12,620 00        | 4,786,894       | 1,858,297 00             |
| 1825   | 156,385 00      | 1,564,583 00      | 14,926 00        | 5,178,760       | 1,735,894 00             |
| 1826   | 92,245 00       | 2,002,090 00      | 16,344 25        | 5,774,434       | 2,110,679 25             |
| 1827   | 131,565 00      | 2,869,200 00      | 23,557 32        | 9,097,945       | 3,024,342 32             |
| 1828   | 140,145 00      | 1,575,600 00      | 25,636 24        | 6,196,853       | 1,741,381 24             |
| 1829   | 295,717 50      | 1,994,578 00      | 16,580 00        | 7,674,501       | 2,306,875 50             |
| 1830   | 643,105 00      | 2,495,400 00      | 17,115 00        | 8,357,191       | 3,155,620 00             |
| 1831   | 714,270 00      | 3,175,600 00      | 33,603 60        | 11,792,284      | 3,923,473 60             |
| 1832   | 798,435 00      | 2,759,000 00      | 23,620 00        | 9,128,387       | 3,401,055 00             |
| 1833   | 978,550 00      | 2,579,000 00      | 28,160 00        | 10,307,790      | 3,765,710 00             |
| 1834   | 3,954,270 00    | 3,415,002 00      | 19,151 00        | 11,637,643      | 7,348,423 00             |
| 1835   | 2,186,175 00    | 3,443,003 00      | 39,489 00        | 15,996,342      | 5,668,667 00             |
| 1836   | 4,135,700 00    | 3,606,100 00      | 23,100 00        | 13,719,333      | 7,764,900 00             |
| 1837   | 1,148,305 00    | 2,096,010 00      | 55,583 00        | 13,010,721      | 3,299,898 00             |
| 1838   | 1,809,595 00    | 2,333,243 00      | 53,702 00        | 15,780,311      | 4,206,540 00             |
| 1839   | 1,355,885 00    | 2,189,296 00      | 31,286 61        | 11,811,594      | 3,576,467 61             |
| 1840   | 1,675,302 50    | 1,726,703 00      | 24,627 00        | 10,558,240      | 3,426,632 50             |
| 1841   | 1,091,597 50    | 1,132,750 00      | 15,973 67        | 8,811,968       | 2,240,321 17             |
| 1842   | 1,834,170 50    | 2,332,750 00      | 23,833 90        | 11,743,153      | 4,190,754 40             |
| 1843   | 8,108,797 50    | 3,834,750 00      | 24,283 20        | 114,640,582     | 11,967,830 70            |
| 1844   | 5,428,230 00    | 2,235,550 00      | 23,987 52        | 9,051,834       | 7,687,767 52             |
| 1845   | 3,756,447 50    | 1,873,200 00      | 38,948 04        | 11,806,196      | 5,663,595 54             |
| 1846   | 4,034,177 00    | 2,558,580 00      | 41,208 00        | 133,515         | 6,633,965 00             |
| Total, | 52,344,542 50   | 69,062,014 90     | 1,083,774 52     | 315,239,616     | 122,480,321 92           |

The coinage at all the Mints during the first six months of the year 1847 reached the sum of \$8,206,222 67. The deposits in the same year were \$8,906,554 21. These results show a greater amount of deposits and coinage than has been reached in any whole year, with the exception of the year 1843, when the total coinage was nearly twelve millions.

## THE PRECIOUS METALS.

From Chambers' Edinburgh Journal, 1848.

MONEY, in some form or other, has in all time been so intimately associated with the business and pleasure of the world, with the public and private policy of nations and of individuals, as to have engaged the attention of philosophers and legislators, poets and philanthropists, as well as the votaries of the giddy goddess who regard it merely, as the vehicle of enjoyment. Whatever the material of which the circulating medium is composed, its potency has varied but little, if at all, from the universal standard. Some people have considered that there was 'nothing like leather,' and impressed a stamp upon bits of hide; others have declared in favor of iron, brass, bronze; in short, all the metals, as they were known, have been legitimatised into currency. In some countries yet unvisited by the schoolmaster, we are told that the natives use bullocks instead of bank-notes, with sheep by way of small change; others, again, recognize only lumps of salt, or shells. Still, as before observed, whatever the material, the conventional currency appears to be every where pretty much the same as among our day-book and ledger communities:

——— 'The only power  
That all mankind falls down before;  
Money, that like the swords of kings,  
Is the last reason of all things.'

By common consent of all nations who have been able to obtain the precious metals, gold and silver have superseded all other materials of currency—always excepting paper. These occupy so small a space, admitting of being conveniently hoarded and preserved, as to have commended themselves especially to popular instinct in remote and unsettled ages. At the time of the conquest of Persia by the Greeks, the gold accumulated by successive monarchs of that country amounted to about £80,000,000 sterling. The whole or greater portion of this large sum was transferred to Greece by the victories of Alexander, besides which there were several mines of gold and silver within the Grecian territory. The influx of such enormous wealth would necessarily tell on the manners of the people, and on prices; and accordingly, in the days of Demosthenes, gold and silver were five times less valuable than under Solon.—Whatever be the amount circulating in a country, there is a constant tendency towards diminution; the immense accumulations would be widely scattered in foreign wars or intestine convulsions. How great must have been the dispersion of precious metals on the downfall of Rome, and afterwards of Byzantium! From the date of the latter event, down through the middle ages, and even to the present century, large sums have been totally lost, from the practice of burying money for safe-keeping, as in many instances the owners died, and carried the secret with them to the tomb. When to these causes is added the loss by ship-

wreck, and other casualties, the result appears in the magnitude of the diminution. Just before the discovery of America, gold was at an enormous value, but subject to great and frequent fluctuations.

The amount of coined money circulating in the whole of Europe at the close of the fifteenth century, has been estimated at £34,000,000 sterling. The quantity coined in England in 237 years, ending in 1509, was equal to nearly £7,000 annually, present value; but from 1603 to 1829, the average was £819,415, or 122 times greater than before the supply from the mines of the new world. In addition to the causes of diminution above described, there is the mechanical wear of the money in passing from hand to hand. This loss has been variously estimated: according to Mr. M'Culloch, it is 1 per cent. per annum. If this be correct, £40,000,000 coined at the beginning of a century, would be reduced to £15,000,000 at the end; in two centuries, £6,000,000 would remain; and in five centuries, about £300,000 only. Taking Mr. Jacob's estimate of the annual wear at 1-360th part, what was £200,000,000 under Constantine, would be reduced to £12,000,000 in the time of Edward I.

The discovery of the mines of Potosi, above all other acquisitions made by Europeans in South America, effected an important change in the commercial relations of the old world. Purchasers found it necessary to go to market with more and more money in their hand, such was the progressive increase of prices. To many persons the rise was a source of exultation, but the greater part regarded it with suspicion and discontent: they could not understand why wheat should be doubled, and in some instances quadrupled, in price, in the course of a few years. The dissatisfaction was not confined to the poorer classes—it excited attention in higher quarters; and Latimer, in one of his sermons preached before Edward VI. and the court, animadverted upon the change in no very mild terms. In reality, mankind were benefited, not injured, by having more gold than they had before, just as they would be benefited by an increase in the amount of their wardrobes, or growing timber, or any other tangible possession. The present importations of silver into Europe are about 40 to 1 compared to those of gold. According to all the accounts, we are to see greater changes in the course of a few years, from the influx of the precious metals, than any that have yet been produced. The application of European science and industry to the exploration of the hitherto imperfectly-worked mines of the South American States, will doubtless effect some notable difference in the proceeds. In those countries, wheelbarrows and vehicles for transport are scarcely known, and in most cases mule tracks are the only roads. The workmen generally employed in mining operations possess no other tools or machinery than their ten fingers, a lasso, and a knife. The loss and waste consequent upon such a state of things may be easily imagined. Mercury, as is well known, is an essential element in amalgamations of gold and silver, and in their separation from the ore; the quantity annually required for these purposes by the American mines is about 3,000,000 • of pounds. Of this the greater portion is imported; and its transmission into the interior of the country is in the hands of monopolists, by whom the price is raised to so excessive an amount, as to leave but little room for profit to the miner. Various attempts have from time to time

been made to effect the operations in which mercury is employed by other methods: at Freyberg, in Saxony, the amalgamation is accomplished in revolving cylinders, which complete the process in fewer hours than the days consumed in the operation in Mexico and Peru, with a much smaller consumption of the quicksilver. In Europe, mercury is used to recombine the silver after its separation from the ore, while the American miners employ it to effect the separation.

Recent and present researches in electro-chemistry render it certain that before long this resistless agency will supersede the use of quicksilver in the working of metals: its power over the elements of the most intimate combinations of metallic and other bodies is well known. The experiments of M. Becquerel in this branch of science have as yet been the most successful, and although not so effective as is to be desired, they have acquired an industrial character. Some of the experiments undertaken in Paris were tried upon nearly 10,000 pounds of silver ore from Mexico, and with a favorable result. A method of amalgamation has also been discovered, by means of which five-sixths of the mercury now considered essential to the process will be saved. About 40 ounces of silver are obtained from 1000 pounds of ore; the pulverization or trituration of the latter is effected in South America by the feet of men and mules, instead of water or other power. Human skill, in fact, seems to be deficient in proportion to the riches of nature. A machine somewhat similar to a mortar-crusher was introduced at Potosi to supply the place of animal labor by a European. With this instrument, one man and a mule, costing five shillings per day, could do as much work as twenty Indians, for whom the charge was three pounds. Although this machine was constructed more than twelve years ago, not one of the laborers or workmen employed at the mines has attempted to imitate it: they leave the owner in undisturbed possession of his advantage, and plod on in their old way. This fact alone will suffice to show the waste of capabilities in the search for metals, and the increased return that may be looked for under a more efficient system of management. The conquest of Mexico by the people of the United States may be regarded as a preliminary step in the development of those hitherto neglected resources. With their restless enterprising spirit, roads, canals, and railways will soon be constructed, and the mining returns will reach their maximum.

Baron Humboldt has expressed himself in most positive terms on the subject of the future production of the precious metals. Confining himself to the Mexican states alone, he says—'When we consider the vast extent of surface occupied by the Cordilleras, and the immense number of mineral deposits which have not yet been attacked, we shall understand that New Spain, when better governed, and inhabited by an industrious population, will yield for her own share the seven millions now furnished by the whole of America. In the space of one hundred years, the annual produce of the Mexican mines was raised from 1,000,000 to nearly 5,000,000 of pounds.' In another place he writes—'Europe would be inundated with precious metals if simultaneous labors were commenced, with all the improvements in mining machinery, upon the deposits at Balanos, Batopilas, Sombrerete, Rosario, Pachuca, Sultepec,

Chihuahua, and many others long and justly celebrated. . . . There is no doubt that the produce of the mines of Mexico might be doubled or tripled in the space of a century. . . . In general, the abundance of silver is such in the chain of the Andes, that taking into consideration the beds yet left intact, or which have been but superficially worked, we should be tempted to believe that Europeans have scarcely begun to comprehend the inexhaustible fund of riches shut up in the new world.' With the proverbial celerity of the United States' population, much of the work here calculated for one hundred years is likely to be achieved in a quarter of that time: the effect on rates of exchange and prices all over the world will be very remarkable. Silver, it is calculated, will be reduced at least one-half in value; and those countries in which the greatest amount of this metal is in circulation will be most exposed to loss. The silver coin circulating in Europe is commonly estimated at £320,000,000, of which France holds three-eighths: according to some authorities, the contingency to be provided for is only a question of time.

'A phenomenon will be exhibited similar to that which complicated prices and transformed so many social positions three centuries ago. The crisis, however, will be much less rapid and less violent; because the mass of silver already acquired by the old continent being enormous, the influence of even a considerable quantity thrown into the market will make itself felt more slowly. The level between different centres of commerce is more easily established than formerly; a glut upon one isolated point is therefore little to be feared. After some time, the value of silver would be regulated everywhere by the cost price; and if the expenses of production are reduced one half, any country at present in possession of a currency worth £30,000,000, would be the poorer to the amount of £15,000,000, since the quantity of labor and of profit which a shilling would then represent would be diminished by one-half.'

Mines of gold and silver are, however, not exclusively confined to America: with the exception of England, there are several in nearly every other country of Europe, and the return from some of these is increasing every year, a cause which will naturally accelerate the effects contemplated. An accurate annual statement is published of the produce of the mines of Russia. In that empire, the metalliferous deposits extend over a region stretching from Kamtchatka to Peru—one half of the earth's circle in length, with an average breadth of 8 degrees of latitude. The presence of gold under this portion of the world's surface was early known, and recorded by Herodotus, but was subsequently lost sight of for two thousand years. In 1774, the re-discovery of auriferous sand was made during some repairs to the machinery at the Klutchefsk mines; further discoveries followed, and in 1823, the present system of working was commenced. The richest deposits are found in the Ural and Altai mountains: in 1836, the produce of gold was 13,000 pounds weight; in 1845, it had increased to 45,000 pounds; and as far as ascertained, the returns for 1846 were still augmenting. The gold furnished by Russia is to that of America as 144 to 100. 'So great is the quantity of gold at present existing among civilized nations, that an annual addition of 45,000 pounds would not for a long time cause any sensible difference.'

For some of the facts and conclusions in the foregoing paper, we are indebted to an elaborate article on the subject in the '*Revue des Deux Mondes*,' by M. Chevalier.

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## PRINCIPLE AND CIRCUMSTANCES.

From Chambers' Edinburgh Journal.

It is the distinguishing characteristic of man to appreciate moral truth, and to follow its dictates from an inward principle, which is not a mere casual impulse, or current opinion of the day, but the calm deduction of the highest reason, harmonizing with the declared will of God, and acting through the medium of an enlightened conscience.

A high authority teaches us to combat circumstances, and promises high rewards to those who 'overcome.' It urges us to be pure amongst the impure—not to go out of the world, but to overcome the evil which is in it. Thus we are taught that 'life is a warfare, in which we must side with the good or evil; and just in proportion as we show indecision, we shall invariably suffer as moral beings.' This opposing of 'circumstances' by force of an inward principle, is the great moral warfare, in which all good and true men have to bear a part, and the weapons of their warfare are not carnal, but spiritual; that is, they consist of 'principles.' What numerous things there are in every-day life which might yield a momentary gratification, but from the commission of which a man of principle is continually deterred! He might take some step which would make him suddenly rich, but he is deterred from doing so if it should cause injury or suffering to his fellow-creatures; he might invade the liberties and enjoyments of his fellow-men with impunity; in fact there is no limit to the mischief which every man might commit, if not under the restraint we have indicated. Virtuous conduct, therefore, is but the amount of resistance to circumstances, and the amount of sacrifice we may have submitted to for the sake of principle. We know, from experience, that there is no eminence of any kind without effort, resistance, discipline; and the excellence of the attainment is generally in proportion to the severity of the discipline. Exercise and effort tend to improve all our faculties, mental and moral, as well as physical. Providence seems to have interposed the obstacles of 'circumstances,' in order to strengthen character, and to develop virtue. Virtuous conduct, therefore, is not a mere conventionality or convenience of action. That is not virtue which is never tested by trial and temptation. Virtuous conduct cometh out of the furnace, and shines with increasing lustre. Everything that is lovely in character, every act of moral bravery and virtue, derives its lustre from this battling with circumstances, and overcoming



them. The virtuous conduct which is the mere result of circumstances, is not virtue at all. It may wear its garb; it may receive even the homage of the world; but as we understand virtue, this is not it. The opposite view of the subject, which would give to circumstances a greater influence over the virtues of men than principle, would deaden all our faculties. We should be always calling on Jupiter for help, instead of putting our shoulder to the wheel, and vigorously trying what strength we have in ourselves. If circumstance is to mould us, and to limit our virtues, we have nothing to hope for, no moral or spiritual good to aspire after. We may, in that case, lie down in despair.

'Circumstance' is anything or nothing, according to the weakness or strength of character and principle to resist. It exists, at the best, only in some *tangible* shape, some physical obstruction, some caprice of fortune, or some bugbear of the mind. Virtue, conscience, duty!—the power of moral appreciation exists independently of all these. Though the whole world in arms is against the man of principle, he remains unmoved, self-controlled, and self-rewarded. You may imprison his body, or take away his life, but you cannot deprive him of his principles. When the body dies, he believes that these principles of truth and duty will still survive. If not, why this feeling after immortality? why this discrepancy between what we are, and what we would aspire to be? If circumstances make virtue, what becomes of virtue when circumstances vanish away? All sublunary things are merely 'circumstances,' and will one day vanish to us all; but virtue, and the rewards of virtuous conduct, emanating from a spirit and principle within, will still survive. As 'men's outward fortunes do draw the inward quality after them,' so it is natural to believe that, in a future state, this 'inward quality' will still 'draw after it' the superior blessings of immortality.

Even in the outward circumstances of life, why do we choose certain individuals for place of trust and responsibility, but because we think their principles are proof against the temptations of circumstances. It is the same with public men—the self-denying spirit which makes the patriot and martyr to principle, and to duty, this is their only passport to confidence and true fame, and it is the only passport to our confidence on behalf of the poorest man we employ. The same applies to all moral reformers, and to every individual man: you will find that the virtue is the amount of resistance which they have shown to circumstance. We teach this lesson to our children, as the only solid basis of all moral training: 'when wicked men entice thee, consent thou not;' when allured by the blandishments of transitory pleasure, look forward to futurity; when the days are dark, and the storms of trouble are threatening to overwhelm thee, still hold on to principle—be above 'circumstances!'

Even in temporal affairs, the advantages of being self-sustained by a fixed principle are most apparent. Men go into the wilderness of the world surrounded by the most adverse circumstances; but the true man never despairs, so long as he has confidence in his principles and in himself. He proceeds to do battle with them all: he fells the forests, he ploughs the fields, he sows his seeds, and in due time he reaps his reward.

This subject might be illustrated by the experience of every-day life. How notorious is the fact, that those children who have had the most done for them by circumstances, frequently turn out the least serviceable members of society! Pamper your offspring by circumstances, protect them and smother them with kindness, and you cannot take a more direct means of enfeebling their characters, and of robbing them of all genuine principle. On the other hand, who have always been the really influential and strong men of the day? Who are the men who have 'learned to endure hardness,' who can buffet most successfully against the frowns of fortune? Are they not generally those who are self-formed, who have done everything for themselves, who have had nothing to trust to but their own inward energies?

The same principle holds good in science, in literature, and in artistic eminence. It is not chartered universities, nor royal societies, nor the patronage of the great, which has produced the most splendid results. No: the fostering of circumstances *alone* never produced genius, nor virtue, nor eminence of any kind, and never will. It never produced a Watt or an Arkwright, a Stephenson or a Dalton. It never produced a poet like him

'Who walked in glory and in joy,  
Following his plough upon the mountain side.'

The same may be said of religion, or rather of the fostering and patronizing influence of religious professions.

If circumstances without effort produced virtue, then those countries should be the most virtuous which are the most favorably situated as to natural advantages. The orange-groves and vineyards of Spain and Italy, one would think, should be abodes of virtue and of patriotism, if easy circumstances, and the absence of obstacles, could produce it. But what is the fact? As Goldsmith says, 'Whilst——

In florid beauty groves and fields appear,  
Man is the only growth that dwindles here.'

The high rewards of virtue, it would appear, are not offered to the merely acquiescent and passive spectator of the scene. The most amiable dispositions even degenerate when not called into active exertion. 'The strength to suffer, and the will to serve,' are not acquired by sitting down contentedly with things as we find them. It is not by living a butterfly or caterpillar existence, and merely taking the color of surrounding circumstances, that eminence or virtue of any kind can be attained.

But besides all this, the advocates of the supremacy of 'circumstances' destroy every vestige of human responsibility! You must then passively submit to a worse than Asiatic apathy or Turkish fatalism. Duty is no more! You have merely to consult your convenience, your pride, your covetousness, or your lust; and these will find ready instruments of gratification in the circumstances around you. Every fiend that could minister to the evil passions of man would then be let loose, and the world would become one great pandemonium of villainy and corruption. 'Man, so noble in reason, so infinite in faculties, in action so like an angel, and in apprehension so like a god,' is then, after all, the mere sport

of circumstances! Why, this is the most degrading and injurious view of human nature you could possibly take. For what are these high faculties, these godlike instincts given to us, but that we may vindicate the supremacy of our moral being, and make the world and ourselves better by a continual warfare with circumstances. The man of principle has a talisman in his own breast which makes circumstances his slave. In mere worldly affairs, by the force of principle, we may as Shakspeare says, 'pluck out of the nettle danger, the flower safety.' 'We may extract a soul of good out of things' apparently 'evil.'

We would freely admit the enormous power of circumstances in moulding men's *manners*, and in reconciling them to the customs around them. No person who has observed the monotony, the sameness, and the common place character of the mass of mankind, but must be struck with the enormous influence of circumstances in producing these results. Even men's opinions may appear to be the result of circumstances; but these are merely the floating heresay opinions of the day, and are of no use to their possessors, or to the world. It is 'because the world is too much with us, because we have given our hearts away,' that we are so miserably dependent on external opinions and circumstances. When we ascend to the regions of moral truth, to principles, we are altogether in a higher sphere—we no longer passively submit to be thought *for*, and moulded *by* others: we begin to think for ourselves; to appropriate principles as our own; and as individuals, and though alone, can confidently fall back upon them in the day of need. A man like this is self-guided, and he becomes strong; and prevails so long as the motto of his shield is to 'bide by the right.' There is no *right* and no *wrong* in human conduct, if you are the sport of 'circumstances;' no satisfactions of conscience for having stood by the right, no moral or spiritual progress for man, if he once embraces this degrading creed. No man can then be trusted in the common affairs of life: you give up the great principle of integrity between man and man: honor, faith, truth, and adherence to them, regardless of consequences, are then no more: you are then to wander forth into an unknown wilderness without a guide, and to sail on a trackless ocean without a compass, a rudder, or a chart, and with no haven of rest in prospect before you.

In these unbelieving times, it is difficult to make people perceive the mighty efforts which may spring from simple adherence to principle, even by a single individual. The world seems not to believe it, until some *one man* puts them all to the blush by adhering *to*, and suffering *for*, his principles. It is melancholy, in looking over the dreary waste of history, to find so few individuals, out of the vast mass, who have acted from principle such as we have attempted to describe. This may be truly described as 'the great tragedy of the world.' Still *there are a few*, and these few comprise the moral history and progress of mankind. By these the waverer is confirmed and called back to duty—the apathetic, and morally dead, are resuscitated to life and activity. It was one of 'moral principle,' one act of resistance to circumstances, which made Joseph the saviour of his adopted country, and the deliverer of his people. There are a few kindred names in our modern history, and they are the turning points of freedom, of reformation, and of religion. When the

world stood aghast with fear, and was ready to give up the cause, these men of principle stepped into the breach, and turned the battle to the gate. Luther was made of materials like this; so were Ridley and Latimer, and a host of the early martyrs. By adhering to principle, Pym, and Hampden, and Cromwell wrested the sceptre from one of the proudest monarchies of the world, and saved their country from despotism; by adhering to principle, Greek and Roman sages, and patriots and philosophers, have covered all future ages with traces of their classic glory. Even the deities in their pantheons are representatives of moral heroism, symbolising often in the rudest forms the triumphs of circumstance-defying principle. By principle, Washington saved his country from a foreign yoke, and founded that vast republic which is now the ark of refuge for the miseries and destitution of the world; by principle, Tell kindled in the mountains and valleys of Switzerland a love of freedom which will never die; by principle, more than by her armies and navies, our own beloved country remains to this day the arbiter of Europe, and amidst all her troubles and perplexities, still possesses the undiminished confidence of the world. It is by the high principles of *individual*, exhibited under trying circumstances, that any nation ever became truly great; and it is by the want of it that so many have decayed away. In the language of Scripture, 'the time would fail to tell' of those deathless names who, through faith in principle, and in opposition to circumstances, 'have wrought righteousness, and waxed valiant in fight' in the moral warfare of the world. The time would also fail to tell of those still more interesting triumphs of principle which are every day exhibited in the quiet recesses of private life—the integrity of dependents, the mutual assistance of the poor, the kindness shown to the aged and infirm, the tenderness which hovers over the couch of sickness, and which seeks out the prisoner in his cell, the benevolence of neighbors, and the faithfulness of friends—these bad as the world is, are sufficient to cast a halo of moral greatness over the destinies of man, which *circumstances* can neither give nor take away.

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## PRINCIPLES OF BANKING.

BY N. BONNEFOUX.

*Investigation of the true Principles that Paper Money ought to be based upon.*

MEN who have made it their study to investigate the peculiarities of the human mind, have found out that it is prone, in its eagerness after knowledge, to be over ingenious in its attempts at discoveries, and that the proper application of *simple* principles is generally lost sight of by

the most talented men existing; those principles wherewith they are familiar from their infancy, appear to be *below their mental vision*, they are all the time stretching upwards the powers of their minds to discover something *new*.

Numberless instances might be given, confirming the strict truth of the above observation. The following one is striking.

The Greeks and the Romans were well aware of the principle which was the cause that their wheeled chariots rolled faster on a *smooth* surface than on a *rough* one; they were well aware, moreover, of the great advantages of rapid communication and quick travelling; they had the materials and the capacity to make *rails*, and yet, they never thought of making the proper application of the *simple* principle they were familiar with, to the construction of *rail-roads*; thousands of years have elapsed since, carrying away innumerable generations of ingenious and scientific men, and it is only within less than half a century, that the *proper* application of said *simple* principle has been made.

The propriety of the above remarks, as an introduction to the subject that it is intended to treat herein, will soon be perceived by the intelligent reader.

The general suspension of the Banks which took place in 1837, led the writer of this article to investigate the general system of our currency, and he became convinced, not only that the system of said currency was erroneous, but that the system of *Paper Money* itself, was based upon a *radical error*. The broad truth flashed to his mind, that the *true* principle that *Paper Money* ought to be based upon, had been disregarded and overleaped, on account, no doubt, of its *simplicity*; but in order that the result of his investigation may be easily understood, a few condensed, preliminary remarks, as to the origin and progress of Banking, will be found necessary.

Gold and Silver have been used by nearly all ancient and modern nations, as a means of exchange and barter for all articles of first necessity, raw materials, manufactured goods, and generally, all kinds of *property* whatsoever; the comparative scarcity of those precious metals, and the convenient form and weight of the fractional parts thereof, which constitute what has been called "Money," have, no doubt, been the principal reasons which have induced nations, generally, to adopt Gold and Silver as the *representatives of property*.

*Paper Money* is an invention of modern times. The persecution against the Jews, in the middle ages, led them to contrive means which might enable them to remove the value of their Gold and Silver from one country to another, without transporting with them the precious metals which excited the cupidity of their oppressors; Bills of Exchange, and Promissory Notes, were then devised.

Banks, issuing certificates on deposits of gold or silver, were first established in Venice, Genoa, and Amsterdam. The depositors of the precious metals received these certificates, or checks, and used them in their mercantile transactions as representatives of their gold and silver, saving thereby, (by paying the Bank a small commission,) labor, transportation, and risk of robbery. Thus far, banking was based on a safe principle. (The certificates issued, never exceeded in amount the total of the gold

and Silver deposited.) In the meantime, the discovery of America, increased greatly the foreign commerce of Europe; Cadiz, Lisbon, London, came to be great marts of trade. At last, Banks were chartered, with the *exclusive privilege* of issuing their own promises to pay, and the bills containing those promises, were called *Paper Money*.

*Paper Money* became, in a short time, an instrument of immense power for extending commerce, manufactures, and civilization. It actually invaded, revolutionized, and controlled the mercantile transactions, and the political relations of the whole world; the extent of its effects will appear incredible, if we compare with proper discrimination what has taken place since the last 100 years, to what would have been the probable situation of things, if gold and silver had continued to be the only token of value, that is, the only means for effecting purchases, exchanges, and barter, generally. But there is a great drawback to the important results that have been obtained; immense national debts and periodical revulsions in prices, producing bankruptcy, ruin, and misery, on a great scale, are the concomitants of *Paper Money*, such as it has been regulated to this day. All the plans that have been tried to give it stability, have failed, and the reason why, is, that the system is based upon a *radical error*. Said radical error consists in having made *Paper Money* the *representative of gold and silver*. This is a *fiction*, that has the effect of reality, *only* so long as confidence exists. The moment that a demand for specie is sustained for a few millions, panic and ruin are the inevitable result, and the reason is obvious. We have, by instance, in the United States, about \$80,000,000 of Gold and Silver coin: out of that amount, the Banks have about \$30,000,000, and the amount of Paper Currency issued thereupon, is very likely as high as \$150,000,000, and there is, besides, an immense amount of floating capital, in the shape of deposits and vouchers, payable on demand, so that the aggregate total thereof, cannot be much less than *five* dollars of paper, *payable on demand*, for every *one* dollar of specie in the country. The consequences of having an established monetary system, composed of such elements, are the following: First, that an attempt to return to a pure metallic currency, is obviously impossible. Second, that so long as *Paper Money* is made to promise to be the *representative of gold and silver*, so long we will be exposed to the evils above described: that is, that a demand of six or seven millions of Specie to settle balances in our foreign commerce, will invariably unsettle and paralyze the immense interior trade, and the extensive transactions of this wealthy country.

The aggregate amount of the products of a country, constitute its real wealth.—According to this uncontrovertible definition of wealth, there is no country on the face of the earth so rich as the United States, and yet the sudden exportation of a few millions of dollars in gold and silver coin, will disorder the currency and create panic and revulsions, which will be felt all over the various States of the Union. When we take into consideration that the amount of coin exported is insignificant, as compared with the immense *available* wealth of the country, the fact of such a ruinous result will strike the investigating mind with a conviction that there is something *wrong* in our monetary system—that it is not in harmony with the state of society as it now exists.

Well, the purport of the preceding remarks and explanations, has been to ascertain what it was, *that is wrong*, and the *drift* of the argumentative part thereof has been intended, moreover, not only to show that *Paper Money* has been to this day, a *mere fiction*, based upon a *radically erroneous principle*, but also, to prepare and enable the reader to conceive how *Paper Money* can be made a *substantial truth*. Make *Paper Money* the direct representative of *property*, and this true and sound principle will give the means of establishing a monetary system, whereof the basis will never fail. Let that system be established by *law*, with such plain and easily understood restrictions that will command the confidence of the community as to the scrupulous fulfilment of the fundamental rule, which ought to be the basis thereof, viz :—That the property hypothecated be ample security to the bill-holder, and that it be of such a description, as to be divisible in fractional parts, so as to be made readily *available*, whenever necessary,—and the important question is solved—Gold and Silver become merely merchandise,—and any quantity thereof might be exported without disturbing in the least the currency of the country. We would thereby become truly independent—and our immense inland commercial transactions would be no longer under the influence of the fluctuations which are inseparable from mercantile operations with foreign countries.

A certain class of *Paper Money* has been issued for the last nine years, by some Banks in this State, which might, *by law*, be made a *direct* representative of *property*, and yet, no one appears to suspect the immense advantages that would accrue to the whole community by making such kind of paper money the *legal currency* of this State. The 2nd and 3d Sections of an "An Act to authorise the business of Banking," (passed April 18, 1838,) contain, actually, the inception of the system of *Paper Money*, which has been ascertained from the above disquisition to be based upon the *true principle*. That system cannot, however, be legalized in all its bearing by our Legislature, because the Constitution of the United States prohibits the States from coining money, and from making anything but Gold and Silver coin a tender in payment of debts. But our Legislature could carry the obvious intent of the 2nd and 3d Sections, by a few clear and provident provisions that would secure the religious fulfilment of the fundamental rule above laid down, namely : "That the property hypothecated be ample security to the bill-holder, and that it be of such a description as to be divisible in fractional parts, and made readily available whenever wanted;" and, if the Free Banking Law were amended, according to the draft that is alluded to, pages 17 and 18, the advantages that would accrue therefrom, to this State, and to the community at large, would soon become apparent; for, although the Bills of the Free Banks would continue to be exigible to be paid in Specie, yet the fact of their being wholly secured, (with ample margin,) by New York State Stock, would greatly diminish the want of Specie for Banking purposes, and its exportation to settle foreign balances would not be felt, by any means, to the extent that it is now, and, in proportion as the number of the existing Safety Fund Banks would decrease, the advantage of this Free Banking System would become still more manifest, so that other States would, probably, enact free Banking Laws, under the same system,

and if a great majority of the States were to do so, there would be no difficulty in obtaining an amendment to the Constitution of the United States, to the effect of allowing the States to issue *Paper Money* by making it a *direct* representative of *property*, according to the fundamental rule above explained. The various sovereign States of this confederacy, would then have a legal right to *coin money* out of paper, and this *application* of inherent right of sovereignty which they ought not to have given up, would, altogether, shelter their currency from the fluctuations consequent to the issue of *Paper Money* which *promises* to be a *representative of Gold and Silver*. On the other hand, the General Government would continue to receive and pay out its dues in Gold and Silver coin, which fact would have a tendency to keep in the country a large amount of Specie. Said Specie would be used, mainly for paying government dues, and for small change, it would be, therefore, a mere mercantile commodity, and it might increase or diminish without any material inconvenience.

The system of *Paper Money* restricted as herein advocated, might be introduced in France, England, &c., with great advantage; there would be, however, considerable danger that the *central government power* of those countries would, in times of financial embarrassment, increase the amount of issues, or else, that the public debt might be repudiated, &c.; and the feature pointed out in the last paragraph, as to the complete independence of our General Government, in regard to finances, renders the system of coining money out of paper one of peculiar fitness to constitute the *monetary system* of this confederacy of sovereign States, as the *action* of our General Government would be limited to *that* of a wholesome Financial REGULATOR.

In conclusion, the writer of this "essay" is well aware of the difficulties that the adoption of the true system of paper money will have to contend with—nothing is more difficult to eradicate than ERROR, when it has got rooted into the habits of nations. He believes, nevertheless, that the community would soon understand the great advantage of this system, and that it would soon appreciate its safety and have full confidence therein, if the Legislature would regulate it, once for all, understandingly. This is, indeed, the greatest difficulty to overcome, as a majority of our legislators appear to be bent upon making laws *that require revising once or twice every year*. The hopes of the undersigned are not, therefore, very sanguine as regards the overcoming of said *main difficulty*, but being firmly convinced that the system herein advocated, is based upon substantial *truth*, he considers it his duty to the community to give it publicity.

The extracts underneath, contain views on the subject of *paper money* which have struck me as being somewhat congenial with my own. The reader will remark, by referring to the *original*, that the *translation* is not literal; many of the French sentences appearing to be vague and indefinite, it has been attempted to make them *precise*, in a practical point of view.

At the present time, when the financial situation of France appears to be analogous to that described by Mr. Lamartine, the views of that distinguished statesman on paper money, may have considerable importance.



But although the financial situation of the French Republic appears at first blush to be nearly the same, there is in fact a very material difference. A system of *paper money* might yet be devised, that would, in time, and with proper republican reform in her expenditures, extricate her finances from its difficulties, and enable her to pay the interest of her immense debt, and create, besides, a sinking fund to decrease it.

*Extracts from the History of the Girondins, by LAMARTINE, pages 81 and 82.*

"Operatives were without work, and rich people, to escape spoliation, assumed the appearance of poverty. The nobility and the clergy had either carried away or buried underground an immense amount of gold and silver coin, and thereby left the people without these convenient tokens of value to facilitate exchange and barter: they were in fact almost bereft of a circulating medium to compensate work and to promote industry."

"In order to make up for the scarcity of gold and silver, the *Assemblée Constituante* had created a kind of *paper money*, generally known under the appellation of *Assignats*, trust and confidence were to be the basis of that *paper money*, and it would have had the same effect as metallic money if the people had been willing to comprehend its principle and to adopt it. It would have given activity to industry, paid the taxes, represented the price of land, and that of property. Money, whatever some economists may say to the contrary, has no other value, in a general sense, than that which is given to it by force of the law, or by the general agreement which creates it, and the confidence and the credit which thereby attaches to it, is a matter of course; but in order to ensure this last point, the relative proportion between things and property bought, and the token agreed upon to purchase them ought not to be suddenly and arbitrarily exchanged by any reckless increase of said monetary token, and whenever that proportion is well known to be a substantial truth, the real price of property will settle down, and be firmly established, according to said proportion."

"Law only, and an honest and provident law, can, therefore, coin money, but it matters not whether law coins money out of metallic fractional parts or out of *paper*, provided, as stated above, the proportion of the issues of the money, or token agreed upon, and the amount of property hypothecated to represent it, be scrupulously the same, so that the community may have entire confidence in its full value."

"Bills of exchange are nothing else than paper money issued by an individual without any other security than the signature of the person who creates it, and yet, transactions of the greatest magnitude, which would, otherwise, require a continual transportation of an immense amount of specie or bullion to accomplish, are, thereby, effected with the greatest simplicity. These bills, in most cases, are equal to gold and silver: they are, however, in fact, nothing else than *money coined* by a sole individual, the confidence of people in said individual imparts the value. No possible doubt can be entertained but what the state government can coin paper money, not only as good, but still more undoubted than that issued by an individual; particularly, when we take into account that the state represents the property and credit of the whole community. But on the other hand the community has been accustomed for ages to the use of gold and silver; the feel, and the weight thereof appeared to them to constitute its value, and it was natural that they could not entertain confidence in paper money before the truth of the above position had been tested by actual practice; whenever a truth, however self-evident it may be, runs counter to old established notions, the advocacy thereof will be at first mistrusted, and considered as a snare."

"Time and experience would, however, have soon demonstrated the fallacy of these old notions, if the fundamental principle which forms the basis of the views above expressed, had been strictly adhered to, but the wants of the revolutionary government were pressing. They increased recklessly, the issue of the *Assignats*, destroying thereby the proportion which ought scrupulously to have been kept, between the aggregate amount of these tokens of value and their means of redemption. The experiment, therefore, proved to be a failure."

NEW YORK, Jan. 30th, 1848.

MR. M. FILLMORE, Comptroller, Albany.

SIR,—The Legislature, by demanding quarterly reports from banks, intends, no doubt, that the reports will exhibit their *true condition*. The 3d section of the act of August 18, 1843, lately amended by another act, passed Dec. 4th, 1847, provides *the items* for a form of statement which has been drawn up according to such an intention, as appears by the following heading thereof: "*Statement showing the true condition of, &c.*"—Capital stock banks, whether corporate or under the general banking law, may, in fact, by making their report according to the form of statement aforesaid, exhibit their *true condition*, but *this will not be the case* with the individual banks. A report from the individual banker, according to *said form*, will not show the *true condition* of his affairs. It is a mere mistification.

According to the printed form of the statement whereby banks are required to make their report, the *capital* of the bank is set down and reported under the head of *liability*, this is the proper place to set it down as regards *capital stock* banks, as said *capital* is a *debt* from the bank to various stockholders which have nothing to do with the management of the bank; but when there are no stockholders to render an account to, when the bank is owned by *one* individual, there is no capital in the sense understood and defined in the general banking law. It is obvious that the whole amount of means which constitute the capital of the individual banker, constitutes altogether his *resources*; and a *correct report* of his financial position, (*viz: true condition*) ought to set down the whole of those means under the head of resources.

The individual banker is not bound by law to keep on hand any specific amount of specie. It has been wisely thought that the risk of forfeiting his security will be sure to command his keen and earnest attention to keep constantly on hand sufficient available means to redeem in specie any amount of his circulating notes which may be presented to his counter; this, with common prudence and foresight, he can easily do by proportioning his issues to his daily available means; but in order that the public might judge of the degree of prudence and foresight exercised by every individual banker, the form of statement intended for the report of individual bankers, ought to be drawn up so as to throw light on the amount and kind of his available means as compared with the amount of his circulation, and the weekly and monthly average redemption of his issues. Thus, by instance, the banker who will keep up a circulation of \$95,000, or over, out of, say, \$100,000 of circulating notes received by him from the Comptroller, will not command so much confidence, as the one who will only issue \$75,000, or less on the same amount, &c.

The statement which you shall find herein enclosed has, by means of erasures, additions, alterations, and remarks, been made to give an idea of what ought to be the form of the statement, according to which it would be proper for individual bankers to report. But I intend to draw up one more simple and *more to the purpose*, which I will forward to you, together with a pamphlet on free banking now under press.

The committee who prepared the bill for the amendatory act of Dec. 4th last, ought to have taken the trouble to consider the *nature* of the *items* required to be reported by the individual banker in the 3d section thereof. They would have discovered, that the form of statement drawn up from those items is obviously intended for capital stock banks, and that they are not, in said form, at all applicable to the banking business of the individual banker.

The requirement of a report without providing for a *proper* form of statement is altogether nugatory, as the point has been settled by the highest legal authorities, that a legislative enactment which is based on an erroneous assumption is null and void.

I conclude by submitting the case to you, with due deference, that the attention of one of the bank committees might be called to remedy the defect which I have pointed out.

Respectfully, &c.,

L. BONNEFOUX.

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## BANK STATISTICS.

### BANK OF CHARLESTON, SOUTH CAROLINA.

At the annual meeting of the stockholders of the Bank of Charleston, HENRY W. CONNER, Esq., president of the Institution, submitted the following report:

*Bank of Charleston, S. C., July 5th, 1848.*

GENTLEMEN:

The president and directors of the Bank of Charleston, S. C., have the pleasure to submit to the stockholders their usual annual statements, showing the condition of the bank, and the result of its business for the past year.

These statements consist of the profit and loss account, the contingent fund account, the cashier's statement showing the state of the Bank on the 30th June, the monthly statement of liabilities and resources, and the report of the suspended debt committee—all of which will be found annexed in their respective order.

The net profits of the year, after deducting current expenses, amount to - - - - - \$377,287 87

From which two dividends of 3 per cent. each, have been declared; amounting to - - - - - 189,648 00  
having a surplus on the business of the year of \$187,639 87, which has been carried to the credit of the contingent fund account.

The losses accruing in the same time upon transactions of the past year, amount to the sum of - - - - - \$26,186 09

|                                                                                                                                              |              |
|----------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Which with the further sum of - - - - -                                                                                                      | 19,374 82    |
| ascertained to be bad in the suspended debt of last year,                                                                                    |              |
| And a bond debt of - - - - -                                                                                                                 | 14,624 13    |
| referred to in the committee's report of last year as doubtful,                                                                              |              |
| Making together the aggregate of - - - - -                                                                                                   | \$60,185 04  |
| which has been charged to the account of "losses chargeable to the contingent fund account."                                                 |              |
| The contingent fund account, with the debit and credit just referred to, added, shows a surplus of - - - - -                                 | \$262,608 24 |
| This account has, however, been charged with - - - - -                                                                                       | 189,648 00   |
| which sum has been carried to a "reserved profit account," leaving still a balance to the credit of the contingent fund account of - - - - - | \$72,960 24  |

It has long been the anxious desire of the board, to form this reserve fund, not only as a protection to the bank, but as a surety to the stockholders for the usual dividend, under almost any contingency that could happen. The surplus profits of last year, amounting to \$68,254 89, added to the large surplus of the present year, has happily enabled us to set apart for that purpose, a reserve equal to 6 per cent. upon the capital, and to still retain to the credit of the contingent fund account, the sum of \$72,960 24, which is deemed more than adequate to cover any possible loss from the suspended debt account.

In view of this reserve fund, and a surplus to be retained under all circumstances, amply sufficient to cover outstanding risks, it will be for the board hereafter to declare such extra dividends as the profits of the bank for the time may justify.

The general condition of the bank on the 30th June, being the close of our fiscal year, is fully set forth in the cashier's statement. The following statement represents the condition of the bank, in reference to its cash liabilities, and cash resources on that day, viz :

|                            |              |                         |              |
|----------------------------|--------------|-------------------------|--------------|
|                            |              | Gold and Silver coin,   | \$389,739 08 |
|                            |              | Bills of other Banks,   | 100,758 00   |
| Bank Notes in circulation, | \$753,510 00 | Due by Agencies,        | 197,224 25   |
| Due to City Banks,         | 1,724 37     | Due by City Banks,      | 14,203 75    |
| Due to Depositors,         | 333,894 62   | For. and Dom. Exchange, | 1,076,094 00 |
| Due to Distant Banks,      | 321,547 14   | Due by Distant Banks,   | 363,996 83   |

The tabular statement annexed will show the position of the bank in reference to its liabilities and resources every month, with the course of its business in all departments throughout the year.

The suspended debt account, embracing everything lying over under protest, under any circumstances whatever, amounts at present to - - - - - \$187,498 65  
From which may be deducted funds received and held by the cashier in trust, - - - - - \$8,235 43

Every claim that was considered bad in this account had been previous to this date, stricken off under the direction of the committee on suspended debt, as per their report herewith annexed.

The claims now forming that account it will be seen, have been classified by the committee into three classes:

The first considered good, the most of which will be paid at an early period, amounting to - - - - \$118,896 62

The second refers to claims of more remote and uncertain collections, but of which there is a reasonable expectation that the larger portion, if not the whole, will be realized sooner or later, and amount to - - 58,219 03

The third embraces claims that are not expected to be paid in full, amounting to - - - - 10,383 00

In the first class is included French exchange protested for \$12,262 71. This claim is good at both ends, and arrangements are now in progress for taking it up. Besides this amount, we have little else outstanding in France.

In our transactions in sterling exchange, we have sustained no loss for the past year.

The nature and extent of the business of the bank for the past year, will be understood by the stockholders from the following statement:

|                                                                                                                                                                                                                                 |   |             |               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|-------------|---------------|
| Sterling Exchange purchased from 1st                                                                                                                                                                                            |   |             |               |
| July, 1847, to 1st July, 1848,                                                                                                                                                                                                  | - | \$3,490,662 | 66            |
| French do. do. do. do.                                                                                                                                                                                                          | - | 282,889     | 82            |
| Domestic Exchange purchased, -                                                                                                                                                                                                  | - | 6,186,515   | 82            |
| Notes discounted, -                                                                                                                                                                                                             | - | -           | 10,447,026 44 |
| The bank has also furnished Northern exchange by its checks on New York, Boston, Philadelphia, and other Northern cities, without ceasing to check a single day, from 1st July, 1847, to 1st July, 1848, - - - - \$7,642,234 86 |   |             |               |

The cash assets of the bank have been carefully examined several times during the year, by committees from the board of directors; the last of which was on the 30th June, and all found right.

We may also mention that there has been received within the year, from old debts long since charged as bad, the sum of \$9,090, and from our continued attention to these claims, additional sums it is hoped will be realized.

These statements will enable the stockholders to obtain a correct view of the operations of the bank for the past year, and the result, we trust, will be found satisfactory.

Since the last meeting of the stockholders, we have to lament the death of one of our most highly respected directors, Mr. Jonathan Lucas. The board will probably not find it necessary to fill the vacancy in the direction, before the annual election in November next.

H. W. CONNER, *President.*

#### *Report of the Committee on the Suspended Debt*

The suspended debt of the bank, as reported on the 1st July, 1847, was \$57,992 63, to which was added a bond for \$14,624 13, considered doubtful, which made the total suspended debt at that time, \$72,616 76 Of this debt there has been collected since - \$8,343 50

And from real estate received in security for a portion of it, - - - - - 18,000 00  
 And there has been charged to the account of losses, chargeable to contingent fund, 33,998 95 60,342 45  
 Leaving the balance of suspended debt of July, 1847, \$12,274 31  
 The suspended debt of this year is - - \$201,410 43  
 Of which there has been charged to losses, chargeable to contingent fund - - 26,186 09 175,224 34  
 Making the total suspended debt this day, - - - \$187,498 56  
 The suspended debt has been swelled this year by the large amount of foreign and domestic exchange which is at this moment in a state of suspension, caused by the recent calamities in Europe, but as it is nearly all of it secured and in a course of settlement, it will very soon be taken out of the account.

That a correct idea may be formed of the character of the suspended debt, the committee has divided it into three classes.

No. 1 consists of debts that are deemed good, and the most of which will be paid at an early period—this class amounts to \$118,896 62.

No. 2 embraces debts that are more remote, and less certain of collection, but of which there is a reasonable expectation that the larger portion, if not the whole, will be realized sooner or later. This class amounts to \$58,219 03.

No. 3 are debts that will not be paid in full, although it is certain that more or less will be obtained from them. This class amounts to \$10,333.

The committee would also further report as belonging to this class a debt due by Reid, Irving & Co., of London, of \$25,237 27—what will be received of it is uncertain, but it is supposed that the dividend of their estate will be small.

Banks in South Carolina that publish (under late amendments to their charters) monthly statements of their affairs, viz :

|                                              | Capital.    |
|----------------------------------------------|-------------|
| Bank of the State of South Carolina,         | \$1,123,357 |
| South Western Rail Road and Banking Company, | 869,426     |
| Planters and Mechanics Bank,                 | 1,000,000   |
| Union Bank,                                  | 1,000,000   |
| State Bank,                                  | 1,000,000   |
| South Carolina Bank,                         | 1,000,000   |

All the Banks in Charleston, \$5,992,782

Banks that are not required by their charters to publish monthly statements, viz :

|                                                                   | Capital.    |
|-------------------------------------------------------------------|-------------|
| Bank of Charleston, at Charleston,                                | \$3,160,800 |
| (This Bank makes full statements annually to their stockholders.) |             |
| Commercial Bank, Columbia,                                        | 800,000     |
| Bank of Hamburg, Hamburg,                                         | 500,000     |
| Merchants Bank of Cheraw, S. C.,                                  | 400,000     |
| Bank of Camden, Camden, S. C.,                                    | 377,500     |
| Bank of Georgetown, Georgetown,                                   | 200,000     |

Total,

\$5,438,300

*Comparative view of the liabilities and resources of the Bank of Charleston. Compiled from the Annual Reports of 1846, 1847, 1848.*

| <i>Liabilities.</i>                   | July, 1846.        | July, 1847.        | July, 1848.        |
|---------------------------------------|--------------------|--------------------|--------------------|
| Sterling Exchange, bills sold,        |                    |                    | \$1,504,288        |
| Capital,                              | 3,160,800          | 3,160,800          | 3,160,800          |
| Due to Distant Banks,                 | 391,230            | 624,458            | 321,547            |
| Due to City Banks,                    | 14,833             | 4,440              | 1,724              |
| Due to Agencies,                      | 432,030            | 193,245            |                    |
| Deposits,                             | 539,220            | 473,685            | 336,318            |
| Dividends unpaid,                     | 9,047              | 8,517              | 8,279              |
| Discount, Premium and Interest,       | 165,066            | 180,525            | 298,865            |
| Contingent Fund,                      | 266,610            | 309,490            | 379,461            |
| Circulation,                          | 1,061,114          | 1,332,228          | 753,510            |
| <b>Total liabilities,</b>             | <b>\$6,039,950</b> | <b>\$6,287,388</b> | <b>\$6,880,287</b> |
| <i>Resources.</i>                     | July, 1846.        | July, 1847.        | July, 1848.        |
| Bills Discounted,                     | \$1,741,543        | \$1,207,564        | \$1,603,326        |
| Domestic Bills of Exchange,           | 1,046,300          | 922,164            | 488,475            |
| Sterling Exchange,                    | 531,102            | 1,024,425          | 2,034,800          |
| French Exchange,                      | 319,728            | 319,872            | 56,107             |
| Bonds and Mortgages,                  | 460,400            | 421,365            | 382,354            |
| Suspended Debt,                       | 156,817            | 86,177             | 187,500            |
|                                       | 4,255,890          | 3,981,567          | 4,752,562          |
| Due by Distant Banks,                 | 340,228            | 239,502            | 363,997            |
| Due by City Banks,                    | 4,038              | 30,580             | 14,204             |
| Due by Agencies,                      | 205,322            | 250,462            | 197,224            |
| Foreign Premium Account,              | 51,878             | 79,054             | 52,180             |
| Bonus for Charter,                    | 53,125             | 47,500             | 41,875             |
| Real and Personal Estate,             | 90,961             | 69,896             | 64,616             |
| Expense Account,                      | 15,602             | 16,790             | 17,462             |
| Louisville & C. R. R. Bonds,          | 270,560            | 378,753            | 505,868            |
| Miscellaneous Stocks,                 | 86,132             | 45,511             | 24,972             |
| U. S. Six per cent Stocks,            |                    | 430,000            | 50,000             |
| Losses chargeable to Contingent Fund, | 201,585            | 249,856            | 300,620            |
| Profit and Loss                       | 11,105             |                    |                    |
| English Letters of Credit             | 888                |                    | 3,111              |
| Notes of other Banks,                 | 55,305             | 44,112             | 101,858            |
| Specie on hand,                       | 397,331            | 423,803            | 389,739            |
| <b>Total resources,</b>               | <b>\$6,039,950</b> | <b>\$6,287,388</b> | <b>\$6,880,288</b> |

**BANK OF GEORGETOWN, SOUTH CAROLINA.**

*Annual Statements, 1846 and 1848.*

| <i>Liabilities.</i>   | 8th June, 1846.  | 30th June, 1848. |
|-----------------------|------------------|------------------|
| Capital Stock,        | 200,000          | 200,000          |
| Circulation,          | 322,786          | 225,657          |
| Individual Deposites, | 30,204           | 19,245           |
| Surplus Fund,         | 13,184           | 29,946           |
| <b>Total,</b>         | <b>\$566,174</b> | <b>\$474,848</b> |

# Fixed and Floating Capital.

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| Resources.                               | 1846.     | 1846.     |
|------------------------------------------|-----------|-----------|
| Notes Discounted,                        | 200,130   | 227,219   |
| Suspended Debt,                          | 10,983    | 13,706    |
| Exchange on New York and Charleston,     | 198,775   | 119,610   |
| Specie balances New York and Charleston, | 141,086   | 105,312   |
| Bonus and Bank Fixtures,                 | 5,200     | 3,500     |
| Real Estate,                             | 5,000     | 5,500     |
| Stock Bank of Georgetown,                | 5,000     |           |
| Total,                                   | \$566,174 | \$474,848 |

## FIXED AND FLOATING CAPITAL.

BY JAMES WILSON, ESQ., M. P., EDITOR OF THE LONDON ECONOMIST.

THERE are certain questions of the highest importance to a clear understanding of the changes which are constantly taking place in what is popularly termed the "*money market*," of a character too difficult and abstruse to command, under ordinary circumstances, a sufficient attention from the active man of business, in order that they should be fully understood. The only time when we can hope usefully and entirely to arrest public attention to such questions, is when the current events of the day clothe them with more than usual interest, and when every man is disposed to give his whole attention and intellect to their consideration, in order the more safely to govern his own policy at a time of existing or expected difficulties. Such an opportunity is the present moment, for the arrival of which, we candidly admit, we have been for some time waiting. It is impossible to conceive that at the present moment, when just a sufficient amount of the predicted disturbances of the capital and finances of the country is disclosed to public observation, tending to create a general belief that much more serious developments of the same elements remain behind—that those who are deeply interested either in the commerce or the finances of the country will be unwilling to devote the whole of their powers of mind to a clear comprehension of passing events, and of the causes by which they are governed. Many have been deterred from a sufficient attention to these subjects from an exaggerated notion of their abstruseness and difficulty. We shall, therefore, in the remarks which we are about to make upon the great elementary causes which regulate the "*money market*," and their influence upon the present passing events, use terms and language as popular and simple as possible.

The three first great primary points, without a clear understanding of which to start with, all attempts usefully to discuss the subjects of *Bank-*



ing, *Currency*, or the "*Money Market*," must be a mere waste of time, and a further bewilderment of bewildered notions, but with a clear understanding of which, the whole science of capital and money becomes comparatively simple to the commonest understanding, are—

Firstly—What really constitutes capital?

Secondly—What constitutes the difference between fixed and floating capital?

Thirdly—What constitutes the difference between capital and currency or circulation?

Without clearly understanding these three points, all attempts to draw correct deductions from passing events with respect to the "*Money Market*" will be entirely vain; with a familiar and clear understanding of them, it will be a comparatively easy and simple task. We propose, therefore, shortly to consider these three points in as popular a way as possible, before we pass to a consideration of the present state of the "*Money Market*," and the claims which exist upon the capital of the country. With respect to the first point of consideration—

#### WHAT REALLY CONSTITUTES CAPITAL?

There is a much more general and accurate notion than of the other two points. This question has been so often treated in a clear and distinct manner, that we do not propose to dwell much upon it. It is generally and clearly understood, that capital, in the broad sense, means labor accumulated in such a form as to facilitate future production. The savage who hunts and fishes just enough, with the simple means which nature provides, in order to supply his wants, neither possesses nor accumulates capital. But the moment a savage spends any portion of his time in constructing an implement which facilitates his hunting or his fishing, so as to enable him to procure more food with the same labor, that moment he is possessed of capital, consisting of such implement, the value of which is determined by the extent of the facility which it affords in acquiring food. This capital, consisting, for example, of a net, has two values; one which would be measured by the time and the skill expended in constructing it, which would determine the price which another person would be willing to pay for it by purchase, and another which would be determined by the profit or facility which its use would afford, and which would determine the price which a person would be willing to pay for the loan of it. The first value is the *selling price*, the second is *rent* or *interest*. If, in such an early stage of a community, only one person accumulated capital, that is, procured as much food as he himself consumed, and made nets besides, it is clear that he could not *sell* his nets, because no one else possessed more food than he actually consumed; but it would be quite possible at once for any one to *rent* such nets, and to pay a portion of the extra food which he was able to obtain by its *use*, for the *loan* of it. As soon, however, as the *use* of this net enabled the borrower of it to obtain as much food as was sufficient to support him, to pay the stipulated quantity for the *use* of the net, and to leave him sufficient leisure to make a net for himself, or to buy the net, he would become the *owner* of so much capital, in place of the *renter* of it

Thus, the capital of every individual would increase just in proportion as he produced more than he actually consumed, and the value of this accumulated labor would be proportioned to the facilities which it afforded for future production. If a man expended the labor of a year in the attempt to make a machine, which at length gave no new facility in production, he would add nothing to his capital; but if his labor was expended in improving the soil or making an implement, which would in future enable him, with the same quantity of labor, to produce more food or clothing, he would have added so much to his capital—which improved land or implements he might either sell for a price, or lend at an annual rent. What is true with respect to an individual, is equally so with a whole community. In proportion as a country produces more than it consumes, and in proportion as the extra labor or income from rents or interest, which must be all paid out of labor, are invested in profitable means of future production, does its capital increase. From the most simple to the most complicated state of society, all capital, therefore, represents accumulated labor, and is valuable just in proportion as it has been invested in means calculated to facilitate future production. In the earliest stage of society, the net which represents the first saving or accumulation is valuable just in proportion as it is calculated to facilitate the natural and unassisted means of catching fish. In the most refined and complicated state of society, the machine, the railroad, or the ship, in which the accumulations of individuals are invested, add to the general amount of capital just in proportion as they facilitate and cheapen production or profitable exchanges, and that facility determines the price which people will pay for their purchase, or the rent which they will give for their use, as the case may be. It is, therefore, clear that capital consists of all improvements in the natural elements of productions—of all implements which facilitate production—and of all commodities which, though produced for consumption, yet the value of which will be replaced to the producers, from the incomes of those who consume them. Thus, permanent improvements on land, by which larger crops are raised with the same labor; improvements in water-courses, rivers, or docks, the construction of canals, roads, or railways, which facilitate intercourse and the exchange of commodities; buildings, ships, machines, cattle; all implements for reproduction, and commodities of every description, such as cloth, wheat, sugar, gold, silver, iron, &c., which are produced for the purpose of sale, the price of which is to be replaced from the income of the consumers, while the profit only is to be consumed by the producers, constitute the capital of a nation. Whatever adds to the efficiency of any of these elements of production increases the capital of a country, as, for example, the application of steam to ships, machinery, and railways, while anything which injures or destroys them, such as fires, shipwrecks, &c., abstracts so much from the capital of the country. The recent inundations in France have subtracted as much from the capital of France, as it will require of labor to restore the mischief they have done. So with regard to the effect of seasons on the productions of wheat, cotton, or other articles, while, in an abundant year, more is produced than is sufficient for the consumption

of the year, the surplus goes to accumulation, and constitutes so much capital, so, in a deficient year, when the produce is not enough for consumption, the accumulation of former years must be used to make up the deficiency, and thus the capital of the country is reduced.

The next point which we would consider is,—

#### WHAT CONSTITUTES THE DIFFERENCE BETWEEN FIXED AND FLOATING CAPITAL?

This is a point, with respect to which much greater obscurity exists than the one which we have already examined; it is one also on which though the most important practical questions and considerations arise, yet which we believe has not yet met with such a clear and explicit explanation as to enable men of business readily to distinguish between the one and the other in the numerous cases which are constantly arising in the application of capital, and where a clear understanding of the distinction is of the first consequence. A want of a clear understanding upon this point has, we have little doubt, had the effect of causing losses to the community of this country to the extent of many millions during the last two years, as a consequence of obligations which have been undertaken, which, had this distinction been clearly understood, would not have been entered upon.

We will endeavor to do something towards clearing up this important point. Every accumulation of capital furnishes a certain command over labor, and can only be rendered productive by the employment of labor. This labor may, however, be used for the production of two distinct classes of commodities. It may be applied to the production of improvements, the improvement of land, the building of houses, or the construction of roads, all for the purpose of facilitating further production, or it may be employed for the purpose of producing commodities for the immediate consumption of the community, to be repaid and replaced by the income of the country. In the first case, the labor is fixed, and the profit which is derived from it must be either in the form of an additional facility for future production, or in the form of a *rent*, which some one is willing to pay for the use of such facility. In this case the capital is not itself returned to the owner. In the latter case, the whole capital is returned to the producer along with his profit, paid from the fund constituting the general income of the country. For example, in the first case, a man builds a mill, and fills it with machinery; the mill and machinery present to the owner a facility by which he can more easily produce cloth than hitherto, and this greater facility returns a profit upon the capital thus sunk, analogous to *rent*; or he may let it *on hire* to another person, who is willing to pay *rent* for such a facility thus given. All the profit derived from such capital must be in the character of *rent*; and in all such cases the *rent* or *interest* alone is repaid from the income of the country, included in the cost of the goods, the production of which it facilitates. In all cases, therefore, where the capital itself is not repaid from the income of the country, but only a *rent* or *interest* for its use, it must be classed as *fixed* capital. This applies to houses, improvements on land, navigation, roads, machinery, ships, and all classes

of commodities which form only the means of producing articles of general consumption.

On the other hand, another man who *rents* or *employs* the mill and machinery in producing cloth, and uses his capital for that purpose, employs it in the purchase of wool, and in the payment of wages, and does so upon the faith of selling his cloth at such a price as will replace the whole of his capital so expended, together with the *rent* or *interest* of the outlay of the mill, and with such a profit as will remunerate him for the use of his capital, and the labor in conducting his business. In this case, the whole capital, with the profit, is replaced from the general income of the country, and is again available for the performance of a similar operation, and for continuing the employment of a similar amount of labor. All such commodities constitute the *floating* capital of the country; including agricultural produce, manufactured goods, imported articles for consumption, and, in short, every thing which is fully and entirely out of the income. In all cases of *fixed* capital, the community only pay out of income a charge for the use of a facility analogous to *rent*. As, for example, the fares paid to a railway company by the community, out of the general annual income, are only a consideration for a facility, and in the form of *interest* or *rent*, including the cost of upholding, but do not replace the capital which it cost to construct the railway. On the other hand, the prices paid by the community, out of the general income, for cloth, grain, or sugar, &c., replaces the whole capital expended thereon, leaving the same fund undiminished for the further employment of similar labor, and the reproduction of similar commodities.

The distinction, then, which we make between fixed capital and floating capital is—that all commodities or improvements, for the use of which only the current income of the country is charged—or, in other words, for which the owners only receive rent or interest—constitute the *fixed* capital of the country; while all commodities, the entire cost of which is replaced out of current income, constitute the floating capital of the country. The former class of commodities are stationary, yielding only income; the latter class are constantly circulating, affording a constant means of new employment for their reproduction from the current income of the country.

The two most important distinctions between *fixed* capital and *floating* capital are, first, that the former consists of labor employed only for the purpose of affording greater facility for the production of those commodities required for the daily use of mankind, while the latter consists of labor employed in the actual production of those commodities themselves; and second, that the use of the commodities representing fixed capital, returns no fund from which the same amount of labor can be continuously employed, whereas the use of the commodities representing floating capital returns an undiminished fund, by which the same amount of labor can be again employed. The occupation of a mill, or the use of well-drained land, may add to the income of the capitalist, but the fund employed in the building of the one, or the performance of the other, is absolutely withdrawn, except so far as the additional profit, rent, or produce which they yield is concerned, from the fund for the

future employment of labor, while the fund employed in the immediate growth of wheat or the manufacture of cloth, is returned to the farmer or manufacturer entire, and is again available for the employment of labor to the same extent as before. It is, therefore, quite clear that no community can, without the greatest inconvenience and derangement, increase its *fixed* capital faster than it is able to spare labor from the production of those commodities on which the community relies for its daily subsistence. Under all circumstances it can only be the amount of labor which the savings of the country can command and sustain, that can be applied to the increase of its fixed capital. The time which the savage could spare in order to make his first net, must have been confined to that which was not absolutely required to procure his subsistence; and the fund which any country can set aside to the increase of its *fixed* capital must be limited by the commodities of general use which it produces over and above its consumption, or, in other words, by the savings of the country. This important point will be more plain if we consider, that in fact the wages paid for labor, though nominally in so much money, really consist of the distribution of the commodities used by the laborers in maintaining them during its performance. Whether wages are paid in money, or whether the laborer is, in return for his work, supplied with food and clothing, are one and the same thing.—Now, the whole labor employed in producing those articles of daily consumption, such as wheat or cloth, whether for consumption at home, or for export in exchange for sugar, coffee, tea, or other foreign commodities in common use, replaces in the hands of the employer the whole of the commodities used to sustain it, and leaves the funds for the future employment of labor undiminished. The laborers employed in manufacturing calicoes not only produce as much as they themselves consume of this particular article, but as much as will exchange for any other article which they do consume, besides replacing the capital of their employer. The produce of this labor in calicoes exchanges for the corn and the provision which they consume of home growth, as well as for the sugar and coffee which they consume of foreign growth. Suppose a manufacturer, for the sake of simplicity, to make *one thousand* pieces of calicoes, and that, instead of the payment of money-wages, he distributes amongst his work-people the proper quantity of bread, meat, sugar, tea, and clothing to support them,—his thousand pieces of calico are then distributed in exchange for wheat and provisions to the farmer, for clothing of different kinds to other manufacturers, for sugar and tea to the merchant, who in their turn distribute these calicoes, with other things, to the laborers employed in producing these various commodities; and thus the manufacturer is again possessed of another stock of commodities, to repeat the same operation. By such a process all labor is re-producing the fund for its future support. The introduction of money and credit are merely means of affording additional facilities to this simple operation. This process will go on without any interruption as long as labor is employed in the production of the commodities thus consumed, because every day's consumption and expenditure will be replaced on the aggregate by a similar production; or, in other words, as long as the capital of the country is continued in this *floating* or circu-

*lating* state. But the moment we begin to build houses, to make roads, or to improve navigation, however much they may add to the facilities of future reproduction, while there is the same consumption of bread, meat, clothing, tea, sugar, &c., there is no immediate reproduction of these commodities, or of anything that exchanges for them, however good or profitable an investment such works may be as far as the *interest* or *rent* is concerned which they yield. It is, therefore, clear that they cannot be undertaken, except with the surplus provisions, or capital which is left over and above the quantity required for regular reproduction, and that this quantity must always limit the power of a community to increase its *fixed* capital.

In short then, the *floating* capital of the country is that which is employed in the production of all those commodities which constitute the ordinary consumption of the country, or which exchange for such commodities so consumed which are produced abroad, and is at all times *represented* by such commodities in whatever shape they are found; and which is always replaced from the current incomes of the country, whether derived from labor, rents, interest, or profits: while *fixed* capital arises from that portion of labor, which, being over and above that which is required for the immediate production of commodities for current use, is withdrawn from such production, and invested in some way which will yield an annual interest or rent, by affording new facilities to ordinary production, and by thus imparting greater value to the floating capital and labor of the country.

It is, therefore, not difficult to see, that it becomes a most essential thing to the continued prosperity of a country, that its *floating* capital, on which the continued reproduction of commodities of every-day use depends, as well as the continuous employment of labor, should not be withdrawn from those necessary purposes, and converted into *fixed* capital, in a greater degree than the surplus accumulation of the country, after replacing the whole fund needful to continue the production of such commodities, whether of home or foreign growth, will admit. If the *floating* capital of the country is thus misdirected into *fixed* capital, it is quite plain that the ultimate result must be, that as the labor employed in the works representing the *fixed* capital does not reproduce the commodities which are consumed in supporting it, or any commodity which can be exchanged either with the home or foreign producers of such commodities, they must become scarce and dear, and ultimately the fund for the employment of labor must be diminished; and the individuals who withdraw their *floating* capital from its ordinary occupation, and convert it into *fixed* capital, must either to that extent reduce their ordinary business of production, or suffer the greatest embarrassment from the absence of their ordinary capital, however large may be the annual interest or profit derived from their investment.

It is quite true that, for a time, while the process of the conversion of *floating* into *fixed* capital was proceeding, there would be a momentary appearance of great prosperity. It would, in fact, in the first instance, be the same as if we were to expend in labor the *principal*, instead of the *interest*, of our capital, as far as the immediate effect upon the demand for labor, and commodities of daily consumption, was concerned.

The production of commodities required for daily use being unequal to the consumption, they would continue to rise in price; increased importation would follow, as a matter of course; and, as no corresponding commodity had been produced to exchange for such imports, they must ultimately be paid from the existing fund of *floating capital*, in reduction of that fund, and before long a reaction must take place, deeply prejudicial to the general interests of the country, and especially to those of the laboring classes, who will have been exhausting the food on which their future employment depended, without reproducing more. The ultimate effect of such a disturbance or misdirection of the *floating capital* of the country must be to create a great scarcity of it, which will be evinced by the high rate of interest, and ultimately a great diminution in the demand for labor, in consequence of the exhaustion of the fund on which it depends for continuous support.

Having thus worked out the important distinction between *fixed* and *floating capital*, we will proceed, in our next article, to consider the third of the three propositions,—What constitutes the difference between capital and currency or circulation?—and then practically to apply these great principles to the present condition of the country.

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## PATENT OFFICE REPORT.

Statistical Tables relating to the productions of the United States. From the Report of the Commissioner of Patents, January 1848, 8vo. pp. 661, with engravings Published by order of Congress.

As a means of showing the bearing of our agricultural resources on the whole business of the country, it has been deemed desirable to collect the statistics of the interior trade of the United States.

All has not been effected that was intended; but enough will be found in the tables which follow, to indicate that a perfect development of materials would be exceedingly valuable, and it is believed that such a beginning might with no great difficulty be carried out, so as to furnish the facts relating to the interchange of commodities among the different states, from which every person might make his own deductions; and thus supply the place of much conjectural reasoning, according as one or another theory is embraced as a favorite one.

A few explanatory observations may be useful, before we give the tables:

Our internal trade is carried on as is well known, mainly, by means of lakes, rivers, canals, and rail roads. These form the great lines of communication between the Atlantic and other states. Although the products of fields and sections of the country are concentrated at various points which are the larger or smaller markets for the farmer, by means of their wagons or carts, yet the great masses of such material are poured along through our rivers, lakes, canals, and over our rail roads.

If therefore we would form a correct estimate of the interior trade of our country, we must, so far as practicable, ascertain the amounts which are in transit or which rest at the various points where account is taken of the exports or imports. It is true we may thus have the same produce several times included in the estimate, but this is unavoidable, as no means are afforded us of discrimination between the already enumerated and that which is new. Did our room allow, we could give a variety of materials which we have collected; but we are compelled to condense them as much as possible, though at the hazard of omitting many things which might prove interesting to some readers. We have freely used those public journals and various documents which present to us the best sources of information on the various topics, and as it is not convenient in all cases to make special acknowledgments, we may just say here, that foremost among the journals to which we are indebted for valuable materials, either for quotation or deduction, are the Buffalo Commercial Advertiser, the New York Shipping List, the Philadelphia Commercial List, Lyford's Baltimore Commercial Journal and the New Orleans Price Current. These with a great number of mere local sources of intelligence, such as are comprised in the various newspapers and periodicals which notice the statistics and products of trade, have enabled us to draw together numerous columns of statements respecting the prosperity of our country which are not found in any one volume; and with this acknowledgment we avail ourselves of whatever we may find desirable.

The points on the Atlantic coast to which our interior trade is directed, are Boston, New York, Philadelphia, Baltimore and New Orleans. We know that there are intervening ones, such as Richmond, Charleston, Savannah and Mobile, but it will be sufficient for our purpose to limit our investigations to the five great ones specified. From each of these points there proceed the great lines of communication with the interior, and especially the west, as follows:

From Boston by rail road to Albany and thence by canal or rail road and lakes to the west.

From New York by Hudson river to Albany, thence by canal or rail road and lakes.

From Philadelphia by river, rail road and canal, and rail roads and river Ohio—via Pittsburg.

From Baltimore by Baltimore and Ohio rail road and national road to Wheeling.

From New Orleans by Mississippi upwards and Missouri and branches.

By obtaining, therefore, the amounts of produce on these great lines, we ascertain in a great degree the state of the internal trade of our country, especially if we include the termini: such as Cincinnati, St. Louis, Chicago, and various other points which occur in the whole extent. We have found much fuller materials in reference to some of these lines of transit and points of concentration, than with regard to others. Thus the states of New York, Pennsylvania and Ohio, which are among the largest and possess the greatest number of miles of canal and rail road are most complete, while we have been unable to gather any particulars scarcely, with respect to some of the others.

We have considered the matter of chief importance in this connexion,



to give the agricultural products, among which the export trade of cotton, tobacco, breadstuffs, pork and beef, &c. are prominent. Yet on reference to the tables it will be seen that there are likewise a great number of smaller articles which in aggregate make up considerable sums, and which could not well be omitted.

Time did not allow us to go through all the lines of canals with the same degree of minute condensation we have adopted in respect to the canals of Ohio, nor did we possess as ample means for the purpose. The different modes of reckoning applied to the same article on the different lines has likewise occasioned some inconvenience, as well as the periods of time which do not always coincide. Our aim has, however, been to give a fair comparative estimate, in some instances embracing only the years 1847 and the previous one, in others it extends further back.

*Prices of Provisions in New York, from 1823 to 1847 inclusive.*

The following table of the average prices of provisions in New York for twenty-five years will be found useful to many readers:

| Year. | Mess Pork. | Prime Pork. | Mess Beef. | Prime Beef. |
|-------|------------|-------------|------------|-------------|
| 1823  | \$13 31    | \$9 78      | \$8 53     | \$5 88      |
| 1824  | 13 78      | 10 32       | 8 58       | 5 82        |
| 1825  | 13 83      | 10 22       | 9 04       | 5 95        |
| 1826  | 11 55      | 7 84        | 9 35       | 5 13        |
| 1827  | 13 21      | 8 62        | 9 23       | 6 37        |
| 1828  | 13 71      | 10 06       | 9 55       | 6 67        |
| 1829  | 12 79      | 10 24       | 9 43       | 7 36        |
| 1830  | 13 64      | 9 87        | 9 24       | 6 14        |
| 1831  | 14 30      | 11 13       | 8 51       | 5 77        |
| 1832  | 13 77      | 11 22       | 9 75       | 5 80        |
| 1833  | 14 97      | 11 53       | 9 77       | 5 98        |
| 1834  | 14 29      | 10 21       | 9 57       | 6 05        |
| 1835  | 16 96      | 13 06       | 11 26      | 7 75        |
| 1836  | 23 13      | 17 65       | 11 42      | 7 48        |
| 1837  | 21 66      | 15 99       | 14 28      | 8 85        |
| 1838  | 21 97      | 16 59       | 14 98      | 11 40       |
| 1839  | 19 32      | 15 72       | 14 93      | 11 04       |
| 1840  | 15 07      | 12 96       | 12 98      | 8 90        |
| 1841  | 11 36      | 9 48        | 9 25       | 5 89        |
| 1842  | 9 27       | 7 23        | 7 85       | 3 94        |
| 1843  | 10 32      | 8 59        | 7 46       | 5 18        |
| 1844  | 9 28       | 7 39        | 5 75       | 3 75        |
| 1845  | 12 13      | 9 51        | 7 64       | 5 46        |
| 1846  | 10 50      | 8 73        | 7 44       | 5 23        |
| 1847  | 15 00      | 12 58       | 11 25      | 8 41        |

The highest year for pork (mess) was 1836, when it reached \$23 13; the lowest, 1842, when it was down to \$9 27. In 1838, mess beef rose to \$14 98; and in 1844, fell to \$5 75.

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*Estimate of the value of the products of labor and capital in the United States for the year 1847.*

| Articles.                                         | Quantities.                                       | Prices.            | Value.          |
|---------------------------------------------------|---------------------------------------------------|--------------------|-----------------|
| <i>Agricultural Products.</i>                     | <i>Bushels.</i>                                   | <i>dolls. cts.</i> | <i>Dollars.</i> |
| Wheat,                                            | 114,245,500                                       | 1 20               | 137,094,600     |
| Indian Corn,                                      | 539,350,000                                       | 40                 | 215,740,000     |
| Barley,                                           | 5,649,950                                         | 80                 | 4,519,960       |
| Rye,                                              | 29,222,500                                        | 65                 | 18,994,625      |
| Oats,                                             | 167,967,000                                       | 25                 | 41,966,750      |
| Buckwheat,                                        | 11,673,000                                        | 50                 | 5,836,500       |
| Potatoes,                                         | 100,950,000                                       | 20                 | 20,190,000      |
| Beans,                                            | 25,000,000                                        | 1 00               | 25,000,000      |
| Peas,                                             | 25,000,000                                        | 1 20               | 30,000,000      |
|                                                   | <i>Tons.</i>                                      |                    |                 |
| Hay,                                              | 13,319,900                                        | 8 00               | 106,559,200     |
| Hemp and Flax,                                    | 116 207                                           | 150 00             | 17,431,050      |
|                                                   | <i>Pounds.</i>                                    |                    |                 |
| Tobacco,                                          | 220,164,000                                       | 05                 | 11,008,200      |
| Cotton,                                           | 1,041,500,000                                     | 07                 | 72,905,000      |
| Rice,                                             | 103,040,500                                       | 03                 | 3,091,215       |
| Sugar,                                            | 324,940,500                                       | 06                 | 19,496,430      |
| Silk cocoons,                                     | 404,000                                           | 2 00               | 808,000         |
| Hops,                                             | 1,510,972                                         | 10                 | 151,097         |
| Beeswax,                                          | 766,530                                           | 22                 | 168,636         |
| Honey,                                            | 22,995,900                                        | 10                 | 2,299,590       |
|                                                   | <i>Gallons.</i>                                   |                    |                 |
| Molasses,                                         | 13,000,000                                        | 25                 | 3,250,000       |
| Wine,                                             | 152,175                                           | 1 00               | 152,175         |
| Pasturage, value of                               |                                                   |                    | 20,000,000      |
| Value of straw, chaff and residuum of the crops,  |                                                   |                    | 74,000,000      |
| Value of pasturage after the crops are taken off, |                                                   |                    | 7,500,000       |
|                                                   |                                                   |                    | <hr/>           |
| <i>Products of Orchards.</i>                      | <i>Dollars.</i>                                   |                    | \$638,163,928   |
| Value of in 1840,                                 | 7,256,904                                         |                    |                 |
| Increase 22 per cent,                             | 1,596,518                                         |                    | 8,853,422       |
| <i>Products of Gardens.</i>                       | <i>Annual value estimated at \$15 per garden.</i> |                    |                 |
| Number estimated at 3,000,000,                    |                                                   |                    | 45,000,000      |
| <i>Products of Nurseries.</i>                     |                                                   |                    |                 |
| Value of in 1840,                                 | 593,534                                           |                    |                 |
| Increase 22 per cent,                             | 130,577                                           |                    | 724,111         |
|                                                   |                                                   |                    | <hr/>           |
| <i>Live Stock and its products.</i>               |                                                   |                    | \$54,577,533    |
| Sheep—number in 1847,                             | 25,000,000                                        |                    |                 |
| Estimated value of lambs and mutton sold,         |                                                   |                    | 12,500,000      |
| Wool—pounds,                                      | 60,000,000                                        | 30                 | 18,000,000      |
| Neat cattle—number in 1847,                       | 18,265,334                                        |                    |                 |

| Articles.                                                                                     | Quantities.   | Prices.    | Value.          |
|-----------------------------------------------------------------------------------------------|---------------|------------|-----------------|
| Increase and value of cattle sold for beef,                                                   |               |            | 40,000,000      |
| Swine—number in 1847,                                                                         | 35,000,000    |            |                 |
| Two-thirds slaughtered annually, say 23,000,000, valued at five dollars each animal,          |               |            | 115,000,000     |
| Horses, mules and asses—number in 1847,                                                       | 5,289,516     |            |                 |
| Value of increase (labor not estimated)                                                       |               |            | 7,934,250       |
| Poultry, value of in 1840,                                                                    | \$9,344,410   |            |                 |
| Increase 22 per cent,                                                                         | \$2,055,770   |            | 11,400,180      |
| Eggs, number consumed,                                                                        | 1,037,320,000 | half cent. | 5,186,200       |
| Live geese feathers, pounds,                                                                  | 2,000,000     | 50         | 1,000,000       |
| <i>Products of the Dairy.</i>                                                                 |               |            |                 |
| Value of in 1847,                                                                             | 33,797,008    |            |                 |
| Increase 22 per cent,                                                                         | 7,433,141     |            | 41,220,149      |
|                                                                                               |               |            | <hr/>           |
|                                                                                               |               |            | 252,240,779     |
| Products of the forest, including lumber, furs and skins,                                     |               |            | 21,599,628      |
| Fire wood—number of cords,                                                                    | 25,000,000    | 1 50       | 37,500,000      |
|                                                                                               |               |            | <hr/>           |
|                                                                                               |               |            | 59,099,628      |
| Products of the fisheries, including whale, cod, and all others,                              |               |            | 17,069,282      |
| Capital employed in Commerce, Trade, and Internal Transportation,                             | \$390,972,423 |            |                 |
| Profits at six per cent,                                                                      |               |            | 23,458,345      |
| <i>Manufactures.</i>                                                                          |               |            |                 |
| Products—value of                                                                             |               |            | 550,000,000     |
| Mines.—Products of, including iron, lead, gold, silver, marble, granite, salt, coal, &c. &c., |               |            | 74,170,500      |
| <i>Banking &amp; Insurance.</i>                                                               |               |            |                 |
| Bank capital,                                                                                 | \$208,216,000 |            |                 |
| Capital of insurance companies,*                                                              | Not known.    |            | 20,000,000      |
| Money loaned at interest, profits of                                                          |               |            | 25,000,000      |
| Rentals of houses and lands,                                                                  |               |            | 50,000,000      |
| Professions, profits of                                                                       |               |            | 50,080,000      |
|                                                                                               |               |            | <hr/>           |
| Total,                                                                                        |               |            | \$2,013,779,975 |
| * Capital of insurance companies in Massachusetts in 1847—                                    |               |            |                 |
| Marine and fire (with specific capitals) aggregate,                                           | \$5,825,000   |            |                 |
| Do. do (mutual) assets,                                                                       | 1,230,182     |            |                 |
|                                                                                               |               |            | <hr/>           |
|                                                                                               |               |            | \$7,055,182     |
| In New York in 1845—                                                                          |               |            |                 |
| Marine and fire (with specific capitals) aggregate,                                           | 7,267,000     |            |                 |
| Do. do. (mutual) assets,                                                                      | 4,405,478     |            |                 |
| Insurance and trust companies,                                                                | 5,000,000     |            |                 |
|                                                                                               |               |            | <hr/>           |
|                                                                                               |               |            | 16,672,478      |
|                                                                                               |               |            | <hr/>           |
| Total,                                                                                        |               |            | \$23,727,660    |

REMARKS.

**GENERAL OBSERVATION.**—In estimating the value for 1847 of several of the articles in this table, the amount as given by the census for 1840 is assumed as the basis, and 22 per cent. added to that sum, which is the ratio of the increase of population during the last seven years, it being reasonable to suppose that the value of the industry and capital of the Union has increased in proportion to the increase of population. Political economists assume that the population of a state, without regard to age, sex, or condition, serves to indicate, more truly than any other basis of calculation, its productive power.—*See the Madison Papers, pages 28 to 30.*

There being no satisfactory data for some of the estimates contained in this table, they are very probably above or below the real truth. But imperfect as they are, they may enable others to make nearer approximations to the true quantities or values.

The estimates of the quantities and value of hemp, flax, hops, beeswax, molasses, wine, products of orchards and nurseries, are all based upon the census of 1840, allowing 22 per cent. for increase. A little over 45 gallons of molasses are allowed for every 1,000 lbs. of cane sugar. The census of 1840 contains no return of honey. Bevan, in his work on the Honey Bee, estimates 30 lbs. of honey for each pound of wax produced. On that basis we have made our estimate.

The estimate for straw, &c. is made upon the following basis, viz :—\$4 worth of straw is allowed for every 30 bushels of English grain, and \$1 of fodder for every 20 bush. of Indian corn. An intelligent farmer of Delaware (John Jones, Esq.) estimates \$8 worth of straw for every 30 bush. of English grain, and \$1 of fodder for every ten bushels of Indian corn. In the French tables the straw and residuum are put down at about 11½ per cent. on the whole value of agricultural products and products of the forest. A less proportion is allowed for pasturage after harvest than in the French tables.

**GARDENS.**—In the United States, particularly in the country, every family has a garden. It is believed that three gardens to every four families will not be an unreasonable allowance for the number, and \$15 per garden for the value of the products.

The business of wool-growing being considerably increased in Ohio, Michigan, and other western states, a larger increase than 22 per cent. is allowed to the number of sheep.

|                                |                      |
|--------------------------------|----------------------|
| Number of neat cattle in 1840, | 14,971,586           |
| Increase 22 per cent.,         | 3,293,748—18,265,334 |

The value of the increase and number of cattle sold for beef, in the absence of satisfactory data, must necessarily be a rough estimate.

**Pork Trade.**—In consequence of the great increase of the pork trade in the United States, a larger increase than 22 per cent. is allowed for the number of swine. As swine are usually slaughtered at the age of eighteen months, we have assumed that two-thirds of the whole number are slaughtered each year.

|                                               |                   |
|-----------------------------------------------|-------------------|
| <b>Horses, &amp;c.</b> —Whole number in 1840, | 4,335,669         |
| Increase 22 per cent.,                        | 953,847—5,289,516 |

An increase of three per cent. per annum, gives 158,685 animals, worth \$50 per head.

In the "*Journal d'Agriculture Pratique et de Jardinage*" it is estimated that each of the inhabitants of the city of Paris consumes 138 eggs per annum. It is probably very much above the actual number consumed. We have, in our estimate, allowed 50 eggs for the consumption of each individual of the population of the United States, each year, and estimated their value at half a cent each egg. Of the quantity of feathers produced in the United States, we have no information. We put the item in because it exists, hoping hereafter to obtain satisfactory information in relation to it.

There are more than 4,000,000 families in the United States, allowing 5 persons to a family. Allowing six cords of fire wood to a family would give about 25,000,000 cords. It is probably very much below the actual consumption.

*Capital, &c.*—Based upon the census of 1840.

The estimated amount of capital for 1847, is the amount for 1840, as appears by the census tables, with 22 per cent. added.

*Manufactures.*—A little more than 22 per cent. added to capital of 1840, in consequence of the expansion of the manufacturing interest in the southern and western states.

*Mines.*—Census of 1840 the basis, with such corrections as the latest returns authorize.

The last four items are crude estimates, there being no satisfactory data on which to found them. In Great Britain the rentals amount to about £65,000,000 or \$315,000,000.

There are in the U. States probably 10,000 lawyers, 15,000 physicians and surgeons, 20,000 clergymen of all sects and religions, besides editors, professors of science, belles letters, arts, music, school teachers, &c. &c. But there are no satisfactory data from which their aggregate incomes can be calculated.

Thus it appears that the aggregate amount of the products of labor and capital in the United States, in 1847, was \$2,013,779,975, if the estimates in the preceding table are correct. It is proper, however, to remark that, in the census of 1840, among the statistics of manufactures, the following items appear; viz: Mills and the articles produced, \$76,545,453; houses, \$41,917,401; ships, \$7,016,094; manufactures of cotton, \$46,350,453; manufactures of wool, \$20,696,999; house-hold goods, \$29,025,380. From the items enumerated it is apparent that a large portion of the aggregate value of manufactures produced in the United States, consists of raw material, which has been included in the census statistics, as well as in our estimates, in other forms, and should therefore be deducted from the aggregate amount. It is believed that the cost of the raw material is equal to one-half, at least, of the whole value of the products of manufactures; the other half representing the wages of labor and the profits of capital. Having been estimated in other forms, it is proper that it should be deducted from the general amount. One-half would be \$275,000,000; thus showing the grand aggregate of the products of the labor and capital of the United States, in 1847, to be \$1,738,779,975.

*Table exhibiting an estimate of the population and property (real and personal) of each state and territory of the United States, in 1847.*

| States and Territories. | Population including free and slave. | Amount of property real and personal per head. | Total amount of property, real and personal, of each state and of the United States. |
|-------------------------|--------------------------------------|------------------------------------------------|--------------------------------------------------------------------------------------|
| Maine,                  | 600,000                              | 400 dollars.                                   | 240,000,000                                                                          |
| New Hampshire,          | 300,000                              | " "                                            | 120,000,000                                                                          |
| Massachusetts,          | 850,000                              | " "                                            | 340,000,000                                                                          |
| Rhode Island,           | 130,000                              | " "                                            | 52,000,000                                                                           |
| Connecticut,            | 330,000                              | " "                                            | 132,000,000                                                                          |
| Vermont,                | 302,000                              | " "                                            | 120,800,000                                                                          |
| New York,               | 2,780,000                            | " "                                            | 1,112,000,000                                                                        |
| New Jersey,             | 416,000                              | " "                                            | 166,400,000                                                                          |
| Pennsylvania,           | 2 125,000                            | " "                                            | 850,000,000                                                                          |
| Delaware,               | 80,000                               | " "                                            | 32,000,000                                                                           |
| Maryland,               | 495,000                              | " "                                            | 198,000,000                                                                          |
| Virginia,               | 1,270,000                            | " "                                            | 508,000,000                                                                          |
| North Carolina,         | 765,000                              | " "                                            | 306,000,000                                                                          |
| South Carolina,         | 605,000                              | " "                                            | 242,000,000                                                                          |
| Georgia,                | 800,000                              | " "                                            | 320,000,000                                                                          |
| Alabama,                | 690,000                              | " "                                            | 276,000,000                                                                          |
| Mississippi,            | 640,000                              | " "                                            | 256,000,000                                                                          |
| Louisiana,              | 470,000                              | " "                                            | 188,000,000                                                                          |
| Tennessee,              | 950,000                              | " "                                            | 380,000,000                                                                          |
| Kentucky,               | 855,000                              | " "                                            | 342,000,000                                                                          |
| Ohio,                   | 1,850,000                            | " "                                            | 740,000,000                                                                          |
| Indiana,                | 960,000                              | " "                                            | 384,000,000                                                                          |
| Illinois,               | 735,000                              | " "                                            | 294,000,000                                                                          |
| Missouri,               | 600,000                              | " "                                            | 240,000,000                                                                          |
| Arkansas,               | 152,400                              | " "                                            | 60,960,000                                                                           |
| Michigan,               | 370,000                              | " "                                            | 148,000,000                                                                          |
| Florida,                | 75,000                               | " "                                            | 30,000,000                                                                           |
| Wisconsin,              | 215,000                              | " "                                            | 86,000,000                                                                           |
| Iowa,                   | 130,000                              | " "                                            | 52,000,000                                                                           |
| Texas,                  | 140,000                              | " "                                            | 56,000,000                                                                           |
| District of Columbia,   | 46,000                               | " "                                            | 18,400,000                                                                           |
| Oregon,                 | 20,000                               | " "                                            | 8,000,000                                                                            |
| Total,                  | 20,746,400                           |                                                | \$8,298,560,000                                                                      |

The following is the principle upon which the table above is constructed. We have obtained the valuations of real and personal property (upon which the taxes are assessed) in the states of Pennsylvania and Ohio, for 1847, and that of New York for 1846. To the latter we have added three per cent. being the ratio of the increase of population. Making this addition to the valuation of New York, the following are the amounts for the three non-slaveholding states above named, viz :

| States.       | Valuation in 1847.    |
|---------------|-----------------------|
| New York,     | \$634,977,913         |
| Pennsylvania, | 465,789,951           |
| Ohio,         | 409,897,379           |
|               | <hr/> \$1,510,665,243 |

As the valuation of property with a view to the assessment of taxes is at least 25 per cent. below its actual value, we add to the above sum one-fourth part or 25 per cent. in order to get at the true amount of property real and personal in the three states above named, which is,

377,666,310

Actual amount, \$1,888,331,553

The population of the states before mentioned, according to our estimate of population submitted with the crops, (for which see *ante*), is as follows; viz:

|               | Population.     |
|---------------|-----------------|
| New York,     | 2,780,000       |
| Pennsylvania, | 2,125,000       |
| Ohio,         | 1,850,000       |
|               | <hr/> 6,755,000 |

Dividing the aggregate amount of property by the aggregate population of the three states, and the result is \$279 69 $\frac{1}{4}$  per head.

We have also the valuations of two slaveholding states, Kentucky and Maryland, for 1846. They are as follows, viz:

|           | Valuation in 1846.  |
|-----------|---------------------|
| Kentucky, | \$242,388,967       |
| Maryland, | 177,555,846         |
|           | <hr/> \$419,944,813 |

To this sum we add three per cent., the ratio of increased population, in order to bring it up to 1847, which is, - - - - - 12,598,344

And twenty-five per cent. for under valuation, as in the case of the three free states, which is 108,135,789

Making in the whole \$540,678,946

The population of Kentucky and Maryland, in 1847, according to our estimate, is as follows, viz:

|           | Population.     |
|-----------|-----------------|
| Kentucky, | 855,000         |
| Maryland, | 495,000         |
|           | <hr/> 1,350,000 |

Dividing the aggregate amount of the property by the aggregate population of the two states last mentioned, we have \$400 for each individual.

Now, it cannot be supposed that the assessors of taxes in the states of Kentucky and Maryland, have over-estimated the property to be taxed. And admitting that they have not under-estimated it, the result would give a little over \$320 per head of the population.

Adhering to our belief that property in the states of Kentucky and Maryland would be as likely to be under valued for taxation, as in the states of New York, Pennsylvania and Ohio ; but believing that, in consequence of slaves being subjects of valuation and taxation, more property is visible and therefore more readily assessed than in the three last, we adhere to the allowance of 25 per cent. for under-valuation. We therefore, take for the basis of the table above, the sum of \$400 and apply it to the population of the whole union. The result is, \$8,298,-560,000

We think it will not be contended that the amount of property, per head, is less in the free than in the slave states. On the contrary, it is probably more, and making a reasonable allowance for the difference, we believe we may safely estimate the property personal, real, and mixed, or the aggregate capital of the United States, in 1847, at \$10,000,000,000.\*

In reference to the table above it is proper to remark that we have no means of separating the real from the personal property, and therefore have made no distinction between them in our estimates.

## BANKING SYSTEM OF PENNSYLVANIA.

From the Philadelphia Bulletin.

A friend has placed in our hands the May number of "the Banker's Magazine," a most respectable periodical, in which the editor has done us the honor to copy our remarks, made in the Bulletin some time since, relative to the monopoly system of banking which exists in this State, and the free system of Rhode Island, in which we gave a decided preference to the latter. The able editor, in giving place to our observations, says, however, that he must not be understood as sustaining those views. He continues: "Our columns are open to a liberal discussion of the comparative merits of the banking systems of the several States, with a view to elicit correct views and sound opinions from those who have reflected upon these subjects.

"The bank capital of Rhode Island is large when compared with Pennsylvania, and its proportion of circulation to population is much greater.

|               | Population. | Banking cap'l.         |
|---------------|-------------|------------------------|
| Pennsylvania, | 1,800,000   | \$17,000,000 or 9 to 1 |
| Rhode Island, | 130,000     | 11,000,000 84 to 1     |

\* In the free states there is more concentrated capital than in the slave states—in other words more money invested in stocks, merchandise, banks, insurance companies, loaned at interest, &c. In these forms it is to a great extent invisible, and out of the reach of the assessor of taxes. Whereas, in the slave states, the capital consists in real property and in slaves, which are visible and tangible, and cannot be concealed from the assessor. These facts account for the apparent fact that the proportion of capital in the slave states, is more per head than in the non-slaveholding states.



## Circulation.

|               |                           |
|---------------|---------------------------|
| Pennsylvania, | \$11,000,000 or \$6 to 1. |
| Rhode Island, | 2,800,000 21 to 1.        |

"Pennsylvania is better adapted for bank circulation, as all agricultural States are, the population being extensively diffused, and less facilities for concentrating bank issues at one place."

We do not know that we understand the precise drift of the above remarks, but suppose them meant to imply that the banks of Rhode Island are relatively more expanded than those of Pennsylvania, inasmuch as the circulation of the former banks bear a ratio  $3\frac{1}{2}$  times as great to the population of the State as that of the banks of Pennsylvania. But it seems to be quite lost sight of that while the ratio of circulation is  $3\frac{1}{2}$  times as great, the ratio of capital is  $9\frac{1}{2}$  times as great as ours. We may observe that the expansion of the banks of a State is to be determined, not by the ratio of circulation to population, but by the ratio their circulation and other demand liabilities bear to their capital.

Our object in making the comparison we did between the workings of the different systems in the two States, was to show the insufficiency of the banking capital of this State as compared with the amount of business transacted, and the consequent insecurity of our currency, and harassing alternations of abundance and scarcity of money to which our merchants and traders were thereby subjected. This we accomplished by placing the operations of the Pennsylvania, or monopoly system banks, in broad contrast with those of the Rhode Island, or free system banks, for the years 1845 and 1847.

In the comparison thus drawn we showed that while the capital of the Pennsylvania banks exceeded those of Rhode Island but about \$6,000,000, the oscillations of the former, within the two years stated, had amounted to more than *twelve and a half millions*, whereas those of the latter had been less than *one million and a half*. We showed that the total movement of the Pennsylvania banks was 317 per cent. on their capital, whilst that of the Rhode Island banks was but 53 per cent. and that whilst the former draw interest on investments to the extent of 136 per cent. beyond their capital, the investments of the latter amount to but 50 per cent. beyond their capital! We further showed that in 1847, the circulation and deposits of our banks amounted to \$29,215,925, and those of the Rhode Island banks to \$3,925,997, being in the ratio of one to nearly eight, while their capitals were in the ratio of one to one and a half; and that the bank currency of Pennsylvania in 1847 was \$4,278,000 more than in 1846, while that of Rhode Island varied in the same period but \$130,000; and that the result in Rhode Island of banking with actual capital was to restrain the profits of the business for that year to an average of about six per cent., whereas our system of banking, chiefly on credit, because of the insufficiency of our capital, led to vast overtrading by the banks, and to their dividends reaching in the same year from seven to fifteen per cent., averaging from 8 to 9.

In view of these astounding results, we denounced the monopoly system of banking in this State as unwise, and urged the superiority of a freer system which should invite capital into that employment, so that there should be actual money to lend and not merely credit which should pass for money because of the talismanic power given to it by our laws.

We believe every point made and every position assumed by us in the above article to be sound.

In reply to the strictures of the editors of the Bankers Magazine, we have to state, that bank circulation is, of necessity, in the ratio of the exchanges effected by the population among whom the institutions are placed. The exchanges of a manufacturing population, where sums of money are constantly passed from hand to hand, and raw materials transmuted into fabrics of greatly enhanced value, cannot but be much more numerous than those of an agricultural population of equal number. The farmer who cultivates two hundred acres of land, and raises wheat, rye, corn, hay, &c., sees and needs but very little currency. If remote from a town, whilst he feeds his family upon the products of his garden, his poultry, pigs, &c., at the nearest village store he obtains his groceries, articles for clothing, and other matters, all of which are furnished on credit, and settled for, in most instances, as may suit his convenience, by means of a portion of his crops. His wants of currency, it will be seen, are exceedingly small. Not so with the manufacturer. His family cannot eat his cotton and his wool; he has nothing to pass off for his necessities in the way of barter; the storekeeper with whom he deals, whatever credit he may give him, expects payment in cash or bank currency when his account is settled. Thus it is obvious that a cotton mill employing two hundred operatives, will require more currency than a thousand small farmers and their families. Where there are the fewest banks in proportion to a business population, there will be the largest circulation; and for this reason every trader and mechanic requires currency with which to purchase the articles in which he deals, and if no bank is close at hand he must retain in his own possession an amount beyond his immediate wants. These individual reserves form the most important portion of bank note circulation.—Where banks are convenient to the residences of traders and mechanics, all surplus funds are left in their keeping. The man who can put his money in a place of safety, and get whatever portion of it he wants *when* he wants it, will hardly risk keeping it about him.

Thus it will be seen that the requirements for currency in Rhode Island are far greater than in Pennsylvania; and that, as nearly all the population of the former State are engaged in avocations requiring its constant use, it is only because of her numerous banks and their proximity to every man's door, that the ratio of circulation is not far greater than has been stated. And we trust we have made it clear in this hurried article, that the ratio of circulation to population in our own State, which is essentially agricultural, though numerically smaller, is in a politico-economical sense much larger than that of Rhode Island, and that the assumption that an agricultural State is better adapted for bank note circulation than a manufacturing one, is essentially erroneous.

We trust too, that our readers will admit that the ratio which circulation and other immediate liabilities bear to bank capital, is the true light in which this subject should be viewed, so far as regards the solidity of the institutions, and the convenience of the public. Much more might be said to illustrate the propriety of the ground we have taken, but we have not the requisite space at our command now.

## COMMERCE OF NEW YORK.

*Imports for the first six months of 1846, '47, '48.*

| FREE GOODS.            |              |              |              |
|------------------------|--------------|--------------|--------------|
|                        | 1846.        | 1847.        | 1848.        |
| January                | \$376,905    | \$478,443    | \$400,829    |
| February,              | 474,360      | 285,128      | 141,359      |
| March,                 | 1,092,476    | 786,937      | 2,199,749    |
| April,                 | 2,228,878    | 1,987,033    | 475,314      |
| May,                   | 1,300,751    | 738,755      | 1,283,754    |
| June,                  | 1,239,006    | 401,358      | 525,088      |
| Total,                 | \$8,712,376  | \$4,677,654  | \$5,026,093  |
| DUTIABLE GOODS.        |              |              |              |
| January,               | 4,842,884    | 5,499,682    | 9,104,104    |
| February,              | 4,177,952    | 5,889,387    | 9,560,859    |
| March,                 | 8,657,793    | 6,060,746    | 5,971,601    |
| April,                 | 4,105,393    | 8,339,429    | 6,639,716    |
| May,                   | 4,160,360    | 5,868,261    | 5,087,279    |
| June,                  | 4,605,527    | 6,689,109    | 4,718,404    |
| Total,                 | \$30,549,909 | \$38,346,614 | \$41,087,968 |
| SPECIE.                |              |              |              |
| January,               | 43,221       | 90,874       | 48,032       |
| February,              | 96,779       | 1,235,122    | 49,502       |
| March,                 | 62,225       | 1,329,458    | 22,781       |
| April,                 | 106,544      | 3,397,064    | 165,919      |
| May,                   | 27,286       | 1,326,697    | 133,922      |
| June,                  | 29,122       | 547,813      | 69,532       |
| Total,                 | \$365,177    | \$7,927,028  | \$489,688    |
| CASH RECEIVED.         |              |              |              |
| January,               | 1,471,844    | 1,434,836    | 2,305,017    |
| February,              | 1,255,651    | 1,496,716    | 2,416,497    |
| March,                 | 2,608,734    | 1,652,092    | 1,553,003    |
| April,                 | 1,373,752    | 2,109,404    | 1,686,506    |
| May,                   | 1,268,952    | 1,487,173    | 1,312,036    |
| June,                  | 1,462,098    | 1,460,017    | 1,143,497    |
| Total,                 | \$9,441,031  | \$9,640,238  | \$10,416,566 |
| Average rates of duty, | 30 7-8       | 25 1-7       | 25 1-7       |

The exports from New York for the six months ending July 1st, were as follows :

|              | Dom. mdse. | Free.    | Dutiable. | Specie.   |
|--------------|------------|----------|-----------|-----------|
| January,     | 2,456,615  | 4,496    | 222,689   | 1,183,517 |
| February,    | 1,977,428  | 15,540   | 432,909   | 433,226   |
| March,       | 2,184,194  | 99,639   | 215,490   | 452,507   |
| April,       | 2,271,800  | 80,961   | 225,068   | 1,180,422 |
| May,         | 2,248,009  | 180,755  | 35,954    | 2,249,253 |
| June,        | 2,198,150  | 90,354   | 66,922    | 1,871,972 |
| Total, 1848, | 13,336,196 | 471,765  | 1,199,023 | 7,370,897 |
| " 1847,      | 24,417,473 | 428,031  | 627,353   | 687,403   |
| Decrease,    | 11,081,277 |          |           |           |
| Increase,    |            | \$43,734 | 571,670   | 6,683,494 |

**THE CANAL BANK—Legal Proceedings.**—The commissioners appointed by the Comptroller to examine into the affairs of this institution have not yet completed their investigation. On Friday and Saturday the teller of the bank was examined under oath, in the presence of the Attorney General.

On Saturday, we hear, an application in the nature of a creditor's bill was filed by Julius Rhoades, Esq., of this city, praying for an injunction, and that ex-chancellor Walworth be appointed receiver of the assets of the bank. The Attorney General appeared on behalf of the State, to oppose the appointment of such receiver, and after hearing him the judge granted the injunction, but referred the designation of receiver to Judge Harris, before whom the parties met this morning.—*Albany Argus*, July 17.

## THE BANKS OF PENNSYLVANIA.

The aim of the writer of the article in a preceding column appears to be, to show that the banking system of Pennsylvania, owing to legislative action and monopoly, is inflated and unsound when compared with Rhode Island and other States—that Pennsylvania exhibits at one period much more extensive bank operations than at other periods—and that its circulation and loans are too large.

It is not fair to compare such a large State as Pennsylvania, having a scattered population, with a small one like Rhode Island, having its population concentrated. If the comparison be made, as it should be, between Pennsylvania on the one hand and the New England States at large with a like population on the other, it will be seen that the system of the former is not so expanded as at first appears.

The point of difference between them is that Pennsylvania has not so much capital as New England. We know that there is more wealth and more activity in the latter. But the business of a State or a city is not in proportion to its banking capital. This is seen in contrasting the two cities of Providence and St. Louis. The first with a banking capital of eight millions; the second with only six hundred thousand dollars, and a population 200 per cent larger. Yet the latter doing a much larger business and with larger bank deposits than the sixty-two banks of Rhode Island combined.

Pennsylvania has a population equal to all the New England States together, (Maine excepted,) but its circulation less than half, and its specie larger than the others. This is shown by the following tables from recent official reports:

|               | Population. | Capital.     | Circulation. | Deposits.  | Specie.     |
|---------------|-------------|--------------|--------------|------------|-------------|
| *New England, | 1,735,000   | \$54,000,000 | \$28,000,000 | 14,000,000 | \$5,100,000 |
| Pennsylvania, | 1,725,000   | 21,500,000   | 13,000,000   | 15,000,000 | †7,300,000  |

\* Maine excepted.

† Including Treasury Notes.

These figures certainly indicate that there is less inflation in Pennsylvania than New England. Yet attempts have been made to reduce the banking capital of Pennsylvania and thus force it into other channels, or into other States. The veto of the governor upon the bill for rechartering the Farmers and Mechanics Bank, and other banks, will, if sustained by future legislation, force these banks into liquidation, and lead so much capital to other places. Philadelphia at present has only one half the banking capital of New Orleans, and about the same amount as Charleston; but the legislature, which should encourage the introduction of capital from abroad, is, on the contrary, doing all it can through one of its parties, to lessen or drive away a

portion of the fixed capital of the State. The leading party in Pennsylvania would force stockholders to be liable not only for their own capital invested in bank stock, but for double the amount. In other words, a stockholder in a bank to the amount of five thousand dollars would, in the event of its failure, not only lose his own stock but be liable to the amount of five thousand dollars more, for the debts of the bankrupt institution.

Capital should be untrammelled in its operations, and when once fixed in certain channels, should not be disturbed by fickle legislation. Capital, like water, will seek its level and be placed where it is wanted, and where it can operate advantageously. Banking should be conducted upon the same principles as any other well regulated business. It is regulated and controlled by the laws of trade; a sound banker is or should be governed by the same rules which govern every well managed counting room. His obligations are based upon a fair capital and upon bona fide business paper, and his cash liabilities are never disproportioned to his cash resources.

The writer in the Evening Bulletin would make it appear that the people of Pennsylvania suffer from the continued oscillation of their banks. Now this cannot be proved by figures. We have examined their tables for 1845 '46 and '47, and they show a remarkable evenness of liabilities and resources, viz:

|            | Capital.     | Circulation. | Deposits.    | Loans.       | Specie.     |
|------------|--------------|--------------|--------------|--------------|-------------|
| Nov. 1845, | \$16,154,600 | \$10,107,000 | \$13,700,000 | \$27,000,000 | \$5,800,000 |
| " 1846,    | 20,994,700   | 10,681,000   | 13,100,000   | 28,000,000   | 5,700,000   |
| " 1847,    | 21,585,700   | 13,737,000   | 15,000,000   | 32,000,000   | 7,300,000   |

The *apparent* increase in the bank capital arises in the addition of the Girard Bank to the list between November, 1845, and November, 1846. The capital is reported in the legislative returns at five millions, when in fact it was less than one million. The year 1847 was one of great activity, especially in the grain growing States, and the demand for circulation was larger upon legitimate grounds. The increased amount of specie was in itself a fair basis of further bank issues, and the wants of the community, under the largely increased foreign trade, demanded further bank loans. With an increased circulation of three millions, and deposits of two millions, the banks were justified in adding four or five millions to their line of discounts. We do not consider the increased aggregates as anything else than as exhibiting an even policy on the part of the banks.

The banks of New England generally feel themselves authorized to issue as much circulation as their capital amounts to. Those of Connecticut are allowed to issue fifty per cent. more than their capital, (see page 180, Vol. 1,) and they would no doubt avail themselves of their chartered privileges in this particular, if the business wants of the community demanded it.

The bank circulation of the whole country is about 40 cents per dollar of capital; but in many States it bears a larger proportion. It will be seen that the bank issues of Pennsylvania are far from being as large as those of several others, viz:

|               | Capital.    | Circulation | Coin.       |
|---------------|-------------|-------------|-------------|
| Ohio,         | \$5,700,000 | \$8,500,000 | \$2,600,000 |
| Virginia,     | 10,500,000  | 9,300,000   | 2,990,000   |
| Kentucky,     | 7,000,000   | 6,400,000   | 2,900,000   |
| Pennsylvania, | 21,500,000  | 13,000,000  | 7,300,000   |

These were the tables of six months since, and although they may vary from the present condition of the same banks, yet they approximate the truth sufficiently to sustain the opinions we have expressed.

EDITOR BANK. MAGAZINE.

THE  
BANKERS' MAGAZINE,

AND

State Financial Register.

VOL. III.

SEPTEMBER, 1848.

NO. III.

HISTORICAL SKETCHES OF BANKING IN THE  
CITY OF NEW YORK.

No. II.

THE MANHATTAN COMPANY.

We have stated in our previous article, in the June number of this magazine, that the first banking association formed in the State of New York was the Bank of New York, organized in 1784, and incorporated in 1791. The articles of copartnership were drawn by Gen. Alexander Hamilton, but at that time the community were smarting under the losses sustained by the continental paper money issued during the revolution, and the legislature were unwilling by any act to countenance the issue of paper as money by any association whatever. Hence no charter could be obtained for the only banking company then in the state, until after that company had been in operation more than seven years.

In 1792 the Bank of Albany was chartered, with a capital of two hundred and sixty thousand dollars; and in 1793 the Bank of Columbia, located at Hudson, (where it was proposed to open a foreign trade, and to establish the whale fishery business, by a company from Rhode Island and Massachusetts,) was chartered, with a capital of one hundred and sixty thousand dollars. The Bank of New York had a capital of nine hundred and fifty thousand dollars. So far the question of chartering banks had been kept entirely clear of party considerations.\* It was a mere question whether the convenience of the community, and the exigencies of commerce demanded these institutions; and until the year 1799, only the above three banks, with an aggregate capital of \$1,370,000, had been chartered by the State of New York. A branch of the Bank of

\*Hammond's Political History of New York.

the United States, incorporated in 1791, had however been established at the city of New York, and transacted a large share of the moneyed operations of that commercial mart.

The party contests which agitated the public mind with regard to state and national politics during the administrations of Washington and Adams were perhaps no where more violent than in the city of New York, from 1792 to 1800. The stock and direction of the Bank of New York were in the hands of some of the most active and influential federalists, which party contained in its ranks most of the wealthy merchants and other capitalists in that as well as other commercial cities.—Col. Aaron Burr, who was then prominent among the leaders of the Republican or Democratic party of the state, and some of his political friends, believed that the power of the Bank of New York was used to patronize and encourage business men who were federalists, and to cramp and embarrass those who were of the opposite party in politics. Hence the plan originated by Col. Burr to incorporate an additional bank in the city. But this project could not be carried into effect by the consent of the Legislature, inasmuch as a majority of both branches of the legislature in 1799 were federalists; and even the democratic members were so jealous of moneyed institutions that few of them would consent to charter a bank in a city which was already furnished with one state institution and a branch of the national bank. The result, therefore, was a conclusion on the part of Col. Burr and his friends desiring the bank, that the real object of the scheme must be concealed, and that the legislature must be blindfolded, and the plan contrived to obtain the charter was as follows:

The yellow fever had then recently made dreadful ravages in the city. That event, with other circumstances, called the attention of the public to the necessity of a plentiful supply of pure and wholesome water; and the legislature were, with great plausibility, invoked to charter, on the most liberal terms, a company who professed their willingness to undertake so useful an enterprise. As it was uncertain what amount of capital might be required to effect the contemplated object, and with a view to avoid any chance of failure on account of a deficiency of capital, the company requested to be authorized to raise two millions of dollars; but as it was possible, and indeed probable that the construction of the water works would not absorb the whole of that sum, the applicants for the charter asked for a provision which formed the substance of one of the sections of the act of incorporation—viz: that “the surplus capital might be employed in the purchase of public or other stocks, or in any other moneyed transactions or operations, not inconsistent with the laws and constitution of the United States, or of the state of New York.”—This request seemed to be but reasonable, and yet under the authority of these few words, has grown up one of the most powerful and formidable moneyed institutions, exercising banking among other powers, that ever existed in the state of New York. It is certain (Mr. Hammond remarks,) that an immense majority of the legislature did not entertain the least suspicion that the charter contained a grant of banking powers.—The attention of the council of revision, (a body consisting of the governor, judges of the supreme court, and chancellor, whose assent was

requisite to the passage of laws, by the first constitution of New York,) was called to the clause under which banking powers were claimed. But from an extract from the minutes of that council given in Davis' *Life of Burr*, vol. I. p. 415, it is evident that it did not seem to the members that in passing the bill, they were chartering a bank which was to exist as long as the government lasted. From the words used by the chief justice, who objected to the bill in consequence of the clause in question, he appeared to be apprehensive that the company would employ their capital in trade, &c. The idea of banking is not named. A majority of the council, of which governor John Jay was then president, passed the bill, notwithstanding the objections of the chief justice.

The bill incorporating the Manhattan Company finally became a law on the 2d of April, 1799; its successful passage having been mainly effected by the skill and address of Col. Burr, who was himself one of the members of the assembly from the city of New York. The act was so drawn as to enable Burr and his democratic friends to get the control of a majority of the stock, and of course of the funds of the company. At the election for members of the legislature at the close of the same month, (April 1799,) Col. Burr was again placed on the democratic assembly ticket for the city of New York, which at the two preceding elections had elected democratic members of the legislature. But previous to this election the secret was out that the charter of the Manhattan company contained a clause investing them with banking powers.—It was alleged that a majority of the legislature had been cheated, for while they believed they were simply providing the means of supplying the city with pure and wholesome water, they had created a bank which was to be managed as a great party machine, and which was to administer to the personal and ambitious projects of Col. Burr. A very inflammatory pamphlet was circulated before the election, presenting these and other views to the New York public. The consequence was the defeat of Col. Burr and his associates, and the election of the federal legislative ticket, by the large majority of nine hundred. The democratic papers of the day charged the loss of the election to the effect produced on the public mind by the banking powers granted to the Manhattan company, through a clause in the charter which was charged by their political opponents to have been obtained by means of deception. It is worthy of remark, that in the subsequent divisions which took place in the democratic party, the political power which was created by chartering this institution, was eventually used for the prostration of Col. Burr and his immediate friends. Mr. Hammond asks, Was it not retributive justice? The following persons were named in the act of incorporation, to constitute the first directors: Daniel Ludlow, John Watts, John B. Church, Brockholst Livingston, William Edgar, William Laight, Paschal N. Smith, Samuel Osgood, John Stevens, John Broome, John B. Coles, and Aaron Burr.

Having obtained the act of incorporation, the duration of which is unlimited as to time, and with most extraordinary powers, which it has been contended place the company entirely above and beyond the control of the legislature, so that repeal or alteration of the charter was not to be feared, and no returns or report of proceedings to the legislature



being required by the act, the associates found no difficulty in obtaining immediate subscriptions to the stock as fast as required. The water works were begun in the spring of 1799, and a bank of discount and deposit was established in the city of New York. The operations commenced in September, 1799, on a capital of \$500,000. In December following an instalment of \$100,000 was added, and in the course of the succeeding winter and spring, \$400,000 more, which increased the capital stock to a million of dollars. Subsequently farther instalments were called in on the stock, and by the 1st of October, 1801, the payments required from subscribers completed the remaining million, and the whole capital of two millions was filled up. Of the high value placed on the stock by the public, we have evidence in the assurance of one of the early stockholders, now living, [see note, p. 200,] that about the year 1802, he disposed of a number of his shares at a premium of 28 per cent.

The affairs of the company are managed by a board of 13 directors, of whom the Recorder of the city of New York is one *ex officio*. A supplement to the act of incorporation was passed in the year 1808, authorizing the company to sell or lease to the corporation of New York, their real estate and water works, and water privileges, and in that case to employ their whole capital as they could their surplus capital.

The duration of the original charter is unlimited, as already stated; but by the act of 1808, it is provided that the charter of the bank shall cease thirty years from the date of the said sale or lease to the corporation of the city of New York; and by the same enactment it was declared that the state should be entitled to subscribe for one thousand shares of the stock of the company—equal, at fifty dollars each, to fifty thousand dollars—which was accordingly done; and thus the capital was increased to two millions and fifty thousand dollars, on which amount dividends have since been made. The imperfect character of the water works and the insufficient supply of water, as well as the inferior quality of the same, furnished by the company, offered no inducements to the corporation of the city to purchase the water rights of the Manhattan company, even if the latter had been willing to accede to a limit to their charter instead of the unlimited duration granted them by the original act—and the directors have always been cautious with regard to any concessions which might impair their rights and extraordinary powers.

In addition to their banking operations, and the construction of water works, the company, in the early stages of its existence, attempted to amuse or interest the public mind by introducing the business of insuring lives and granting annuities on lives. In an account of the company published in 1802, we find the following notice to the public:

“The President and Directors of the Manhattan Company, anxious to employ their surplus capital to purposes useful to the public, as well as profitable to the company, have resolved to open an office for granting annuities on lives, either single or by survivorship, and also for insuring lives.”

Although the rates of insurance as published with the above notice, were moderate, it appears that the novelty of Life Insurance in this country at that time, prevented the business from going into operation, and

thus this scheme, which was supposed by some to have been devised by Col. Burr, to divert public attention from the banking operations of the company, (which being carried on by powers insidiously obtained, were deemed odious by many,) was soon abandoned.

Although the charter authorized the company to take possession, and control the streams of Westchester County, or in any other place or places where they should judge proper, sufficient to carry out their professed object of supplying the city with pure and wholesome water, the directors chose a more ready and cheaper mode of complying with the terms required by the act of incorporation, thus preventing the absorption of their capital, and allowing the greater portion of it to be used for banking purposes. It should be remembered, that when the population of the city above the Park where the City Hall now stands, was sparse, and the grounds but little occupied with buildings, the water obtained from open springs and by sinking wells was comparatively pure, and although hard and unsuitable for washing, was palatable and therefore could well be used for drinking and cooking purposes. The Manhattan Company therefore decided to obtain water for the supply of the citizens, by sinking wells in Reade Street, a few rods north of the Park, and the water works erected by the company are thus described in an account of them by Noah Webster, published in 1802:

"The water works were begun in the spring of 1799, and at the close of the year 1801, conduit pipes, consisting of bored logs, had been laid within the city to the extent of twenty miles. These penetrate the most populous streets, and supply about 1400 houses. In certain places the pipes are constructed for the convenience of supplying the fire engines in case of emergency. Hitherto the pipes have been supplied with water by means of pumps worked by *horses*. But a large stone reservoir\* is completed, and the machinery for raising the water by *steam*, which will greatly abridge the expenses of the operation. The water is taken from wells or pits in the rear of the Alms House, and not far from the fresh water pond, (the collect.)"

The water works of the company for the supply of water to the citizens have, it is understood, proved a burthen to the Institution, the revenue therefrom never producing an income for a series of years equal to the annual expenditures and interest on that part of the capital invested in the water works. Thus the water works, viz., wells, reservoirs, engines, 25 miles of wooden pipes, and 14 miles of iron pipes, with the buildings attached to the works, were in 1840 offered to the corporation of the city of New York, at \$384,700, and the water expenditure by the company was stated at \$41,303, while the revenue was stated at only \$1,910.

The profits of the company from their banking operations have been large: their dividends commencing in July, 1800, and terminating in January, 1840, varying from seven to ten per cent. per annum, and amounting to \$7,082,530, or about  $3\frac{1}{2}$  times the capital in a term of forty years. In consequence of the lax and injudicious management of the concerns of the company by the officers on whom the charge devolved,

\* Now standing in Chambers Street.

principally from 1830 to 1840, particularly in loaning the funds of the company on stocks and insufficient security, it was ascertained, in 1840, that great losses had been sustained by the institution, and in February, 1840, a commission (consisting of Messrs. James G. King, Robert H. Morris, and James Boorman, who selected Francis W. Edmonds as secretary,) was appointed by the stockholders, for the purpose of investigating the concerns of the company. These commissioners, after a full investigation of the funds, assets, and liabilities of the company, made a full report of the concerns to the stockholders, without however submitting an estimate of the probable loss by bad debts, over drafts, and depreciated stocks. We understand however, that the estimated loss from the above causes, according to the best judgment of the commissioners at that time, was equal to about 25 per cent. on the capital of the company, or over half a million of dollars. Subsequent events and experience show that this estimate was much under the mark.

The losses of the company at the time of the suspension of dividends in 1840, were finally ascertained to amount to about a million of dollars, or fifty per cent. of the capital, all of which was made up by prudent management of the board of directors in power from 1840 to 1846—a period of six years—consequently the stockholders lost the dividends of those six years only, which, at an average of 8 per cent. per annum, would amount to 48 per cent. on the capital. Much credit is due to the direction since 1840, for their excellent management of the concerns of the company, by which the capital was restored after severe losses, and the institution placed on the list of banks paying regular semi-annual dividends.

The legislature having passed an act requiring incorporated banks to register their bills of circulation at the Comptroller's office at Albany, the Manhattan company no longer issue their own notes, but use in their business the bills of other banks.

**MANHATTAN COMPANY, NEW YORK, commenced business, 1799.**

***Presidents.***

|                    |             |                    |
|--------------------|-------------|--------------------|
| Daniel Ludlow,     | was elected | April 11, 1799.    |
| Henry Remsen,      | do.         | February 17, 1803. |
| John G. Costar,    | do.         | December 13, 1825. |
| Maltby Gelston,    | do.         | December 8, 1829.  |
| Jonathan Thompson, | do.         | March 24, 1840.    |
| Caleb O. Halsted,  | do.         | January 18, 1847.  |

***Cashiers.***

|                      |         |                    |
|----------------------|---------|--------------------|
| Henry Remsen,        | elected | June 3, 1799.      |
| Whitehead Fish,      | do.     | February 18, 1808. |
| Samuel Flewwelling,  | do.     | April 16, 1810.    |
| Andrew Seaman,       | do.     | December 30, 1816. |
| Robert White,        | do.     | November 29, 1819. |
| William M. Vermilye, | do.     | March 19, 1840.    |
| James M. Morrison,   | do.     | February 3, 1842.  |

Two branches of discount and deposit were established, one at Utica and the other at Poughkeepsie, commencing in 1809 and closing in 1819.

In October term, 1830, the attorney general of the state of New York filed an *information* in the nature of a *quo warranto*, in the supreme court of the state, against the Manhattan Company, charging them with using without lawful warrant or charter the franchise of being a *body politic and corporate*, and of *carrying on banking operations* without being authorized so to do. The information charged the *usurpation* in different forms: as that the defendants were interested in an association or company for the purpose of receiving deposits, making discounts, issuing notes, &c.; in a *bank* for the like purposes; that they claimed the privilege of employing a part of their effects in, &c.; to keep an office for the purpose, &c.; to issue bills and notes as *private bankers*, and to *carry on banking operations*, such as are usually employed and carried on by incorporated banks.

The defendants pleaded that by the act of incorporation passed by the legislature of the state, April 2, 1799, among other things, it was enacted that it should and might be lawful for the company to *employ all such surplus capital* as might belong or accrue to them, in the purchase of public or other stock, or in *any other monied transactions* or operations, not inconsistent with the constitution and laws of this state, or of the United States: also that the legislature, by acts passed March 25th, 1808, April 17th, 1816, April 21, 1818, March, 27, 1821, April 24, 1823, and by a provision in the revised statutes, the Manhattan Company had been recognized by the state as a *bank*.

The cause was argued at Albany, in October term, 1832, by Benjamin F. Butler and Samuel A. Talcott, for the defendants, and by Greene C. Bronson and David B. Ogden, for the people.

The court decided, that the act incorporating the Manhattan Company, having been passed previous to any restraining act rendering illegal banking by individuals, or by corporations not specially created for banking purposes, the Manhattan Company has the right to carry on *banking business*.

That the restraining acts prohibiting incorporated companies not expressly authorized to carry on banking business, do not affect this corporation; the legislature having in the same session, viz. in 1804, in which the first restraining act was passed, expressly excepted this company from its operation, which *saving clause* has never been repealed; the act of 1818 containing a *proviso* that nothing therein contained shall be construed to abridge or affect any rights *theretofore granted*, and the provisions of the revised statutes, not applying to pre-existing corporations unaffected by the previous restraining acts.

That the *implied powers* of a corporation are as much beyond the control of subsequent legislation, as *powers expressly* granted.

That a forfeiture incurred by a corporation, by non-compliance with the terms of a condition contained in its charter, may be *waived* by the legislature, by *subsequent legislative acts* recognizing the continued existence of the corporation.

The doctrine of *waiver*, however, is not applicable, where by the terms of a grant or charter the estate or franchise absolutely determines upon failure to perform a condition.—*Wendell's Reports*, Vol. 9, p. 351.

## BILLS OF EXCHANGE.

## ARE BILLS AT SIGHT ENTITLED TO DAYS OF GRACE?

Communicated for the Bankers' Magazine.

A LATE decision in Louisiana, that bills payable *at sight* are entitled to days of grace, appears to have occasioned some surprise. Yet such is, it seems, the general rule of the commercial law.

Chitty, in his treatise on bills of exchange, (p. 409 of 9th American edition,) says: "With respect to bills payable *at sight*, though, from the very language of the instrument, it should seem that payment ought to be made immediately on presentment, this does not appear to be so settled." After mentioning the law of France and Spain in this particular, and referring to some of the old elementary writers on mercantile law, who expressed the opinion that days of grace ought not to be allowed, he adds, "but it appears *now* to be considered as settled that days of grace are to be allowed."

Judge Bayley, in his work, (Bayley on Bills, 2d American edition, p. 233—see also notes 53 and 55 on same page,) lays down the rule as to days of grace as follows: "A note or bill payable within a limited time after a certain event, or on a given future day, or *at sight*, is not in fact payable until two days after the expiration of that time; nor, unless the third be a day of public rest, until three."

Byles, in his treatise, states the rule less positively. He says, (Byles on Bills, p. 152, Law Library for July, 1848,) "Whether days of grace are allowed on bills payable at sight, seems yet undecided. The weight of authority has been considered to incline in favor of such an allowance."

Judge Story, in his work on bills of exchange, section 342, lays down the rule very distinctly. "In England," he says, "days of grace are allowed on all bills, whether they are payable at a certain time after date, or after sight, or *even at sight*. As to the latter, (bills payable at sight,) there *was* some diversity of opinion among the profession, as well as among the elementary writers. But the doctrine seems *now* well established, both in England and America, that days of grace are allowable on bills payable at sight." The same rule is laid down by him in section 228 of the same work, and in section 224 of his work on promissory notes.

"The three days of grace," says Chancellor Kent, (3 Kent's Commentaries, p. 102,) "apply equally to bills payable *at sight*;" and in a note to this passage, he adds, that "the weight of authority would seem greatly to preponderate in favor of the rule as laid down in the text, though it cannot be considered as a point entirely settled."

The concurrence of all the approved elementary writers on the subject, to which may be added the decision in Louisiana, will then authorize us to assume, as the general rule of commercial law, that *days of grace ought to be allowed on bills payable at sight*. In relation to a rule

of mercantile law, affecting so many transactions, courts would feel loth to depart from authorities so generally recognized and acted upon, as the books I have quoted. To attempt to establish a new rule, even if a better one, would be to create uncertainty and hazard.

But, by fair analogy from the principle decided by the Supreme Court of the United States in the case of the Bank of Washington vs. Triplett & Neale, (1 Peters' reports 25,) the question in relation to any particular bill, may be materially affected by local usages.

In that case, a bill dated the 19th of June, at four months after date, drawn on "Peter A. Carnes, Esq., Washington city," was sent for collection to the Bank of Washington. The bank caused the bill to be presented for payment on the 23d day of October, being *the day after the third day of grace*. It was dishonored and protested. The persons to whom the bill belonged brought suit against the bank, claiming that by failing to demand payment at the proper time, the bank had made the bill its own, and was responsible for the amount. It was shown in defense of the action, that the settled usage of all the banks in Washington, at that time,\* was to demand payment on the day succeeding the third day of grace, or, in other words, to allow four days of grace, on notes and bills; and the court, (chief justice Marshall delivering the opinion,) decided that the rules of law in respect to days of grace were derived from, and dependent upon usage; and that the presentment for payment in the case in question, being conformable to the settled custom of the banks in Washington, had been properly made. Other similar decisions in the same court, and in other courts, might be cited.

To the same effect is the rule of law laid down by Judge Story. In his work on bills, sec. 155, he says that "the days of grace, if any, are to be allowed according to the law, or custom, of the place where the bill is to be accepted and paid." See also sections 177 and 334 of the same work, and his work on "Conflict of Laws," sections 316 and 361.

It is a matter of great importance that those whose business it is to deal in, or use bills of exchange, should know certainly when they ought to be presented for payment. Unquestionably, (and so it was stated by Judge Marshall in the case cited from Peters' Reports,) by failing to demand payment at the proper time, the bank with which a bill is left for collection, would make the paper its own and become responsible for the amount. This would be the consequence, as well where payment is demanded too soon, as where the presentment for payment is made too late. The owners of bills are not less deeply concerned where they collect for themselves. If the demand and protest, or notice of dishonor, are not in proper time, the drawers and endorsers are discharged.

It is of much less consequence what the rule is, than that it should be certain, uniform and well known. If it is considered inconvenient that bills which purport to be payable "at sight," should not be in fact payable till the third day after, the form of the bill can readily be changed.—Let bills which are intended to be paid on presentation be drawn payable "on demand," or without expressing any time of payment. In such case, it is certain, that days of grace cannot be claimed. For the sake of

\*This usage has since been changed, and now conforms to the general rule. See Cookendorfer vs. Preston, 4 Howard's U. S. Reports, 317.

uniformity, and that the rules in this respect may be well known to all parts of the country, it would be better, I would suggest, that special usages should be avoided in relation to such matters, and where they do exist should not be adhered to. Otherwise we will have different rules prevailing at different points, which will be difficult to learn and apply, and must produce more or less uncertainty and loss.

If it is thought that the general rule in relation to this subject is still unsettled and doubtful, or that there may be some uncertainty as to the proper course to be pursued in relation to any particular bill at sight, either because the usage of the place on which it is drawn is uncertain or not well established, or for any other reason, the only way to avoid all risk will be to make two presentments and protests—one on the day when sight is given, and the other at the expiration of the grace, and send notice of each to the proper parties. In this way, the risk of discharging the drawers and endorsers will be avoided, but the charges of one of the protests will be lost.

A CASHIER.

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## THE COAL TRADE OF PENNSYLVANIA.

From the Philadelphia Public Ledger, July, 1848.

THE anthracite coal of Pennsylvania exists in three separate and distinct beds or fields, bearing each to the other a striking similitude in geographical position, extent of area and geological character.

The first or southern field, being the *nearest to tide water*, is divided into four mining districts—the Lehigh, the Schuylkill, the Swatara, and the Susquehanna, and are so-called from the rivers, whose head waters either take their rise in or pass through this field. These rivers, most unfortunately for Pennsylvania, furnish no natural navigation as an outlet for the vast treasures within, but merely the means of constructing and locating canals and railroads. These canals and railroads have been constructed with a boldness of design and magnificence of enterprise that will compare with any works of the kind in this or the old world, and yet only a few years will elapse before they will prove totally inadequate to vent the productions of this inexhaustible and boundless region of wealth. This field is sixty-five miles in length and averaging about four miles in width, and enclosed or bounded by a *continuous mountain*, (which separates it by about ten miles from the second coal field,) forming a trough or longitudinal basin. This boundary is called Broad Mountain on the north, and Sharp Mountain on the south, which latter is penetrated by most of the streams referred to, and which afford the inlets for the necessary canals and railroads. Upon this field or basin, once so rugged and barren, a vast amount of money has been expended, and towns and villages have sprung up in all directions. It will be interesting to consider the expenditure upon each of these mining dis-

tricts, and the improvements designed to facilitate the transportation of coal from each, and thus endeavor to ascertain what district would seem to enjoy the most advantages for a great and growing trade.

1st. *The Lehigh Region.*

|                                     |                 |
|-------------------------------------|-----------------|
| The Lehigh Navigation and Railroad, | \$5,824,820 75  |
| Expended on the mines,              | 1,805,520 00    |
| Hazleton,                           | 130,000 00      |
| Beaver Meadow,                      | 360,000 00      |
| Buck Mountain and the Summit,       | 180,500 00      |
| On the mines,                       | 300,000 00      |
|                                     | <hr/>           |
|                                     | 8,590,340 75    |
| Morris Canal,                       | 4,000,000 00    |
| Delaware Division,                  | 2,000,000 00    |
|                                     | <hr/>           |
|                                     | \$14,590,340 75 |

The nearest mines to tide water of this region, are those owned by the Lehigh Coal and Navigation Company, and it was exclusively to develop those mines, that their magnificent improvements were constructed. The Lehigh River, however, unlike the Schuylkill and Swatara, does not penetrate the coal field, and hence the coal mines could only be reached by ascending and descending, through inclined planes and railways, Sharp Mountain at its *greatest elevation*. From the basin, when thus reached, the coal is transported by stationary power, a distance of *nine* miles to the navigation, at Mauch Chunk. There is nothing in our country that surpasses the enterprise here exhibited, to overcome the obstacles presented by the surface of the country, between these mines and the river Lehigh, and nothing would have justified the outlay, but *coal mines*. This navigation was completed in 1820, and 3657 tons delivered that year in Philadelphia.

|       |             |         |             |
|-------|-------------|---------|-------------|
| 1820, | Total Tons, | 3,657   | } 27 years. |
| 1826, | do.         | 146,522 |             |
| 1847, | do.         | 643,972 |             |

The capacity of this navigation has been considered fully equal to the transport of a million and one half of tons of coal, and therefore the region has enjoyed up to this time all the advantages of transport that could be desired; but how long will that continue to be the case? This trade has been increasing at a ratio of twenty per cent. per annum, and has now nearly exhausted the capacity of its outlets, the Delaware Division of the Pennsylvania Canal, and the Morris Canal.

From an estimate before me, it would seem that the Delaware Division has not the capacity to vent more than about one million of tons. The Canal Commissioners' Report shows that there were sent eastwardly from Easton, last season, 787,181 tons; to which, if we add the annual quantity of this year and next, we shall have upwards of a million of tons, the entire capacity of the work.

The Morris Canal can never be relied upon further than to supply the local trade through which it passes, as this is a growing trade.

2d. *The Schuylkill District.*—This is the centre of the basin, and is very extensive, embracing more than one-half of the entire field—the



mines at Tamaqua, (which adjoin the Lehigh mines,) Tuscarora, Port Carbon, Pottsville, Minersville, and Tremont. To develop this portion of the basin, the following expenditures have been made:

|                                        |              |
|----------------------------------------|--------------|
| The Schuylkill Navigation,             | \$9,000,000  |
| The Reading Railroad,                  | 12,000,000   |
| Little Schuylkill Railroad,            | 500,000      |
| Mine Hill and Schuylkill Haven,        | 550,000      |
| Danville and Pottsville Railroad,      | 680,000      |
| Mount Carbon Railroad,                 | 155,000      |
| Mount Carbon and Port Carbon Railroad, | 200,000      |
| Schuylkill Valley Railroad,            | 300,000      |
| Railroads by Individuals,              | 250,000      |
|                                        | <hr/>        |
|                                        | \$23,635,000 |

3. *The Swatara District*.—This commands a rich and most valuable portion of the coal field, and is mined through the channels of the Union Canal Company and Susquehanna and Tidewater Canal—the former work, which is the outlet, is so imperfect that no great increase of trade can be expected in that quarter, as it only admits boats of a draught of thirty tons, which are, however, employed to the extent of the local demand. There has been very little expended in this region, and the trade in 1847 was only 51,000 tons.

4. *The Susquehanna District* embraces the western terminus of the southern coal field, branching out into two divisions, towards the Susquehanna—the southern or Stoney Creek coal region, and the Lyken's valley. No mining operations of any importance have yet been undertaken at either of these. The Lyken's Valley Company are now making preparations to work their mines and to complete their railway to the Wiconisco canal, which communicates with the State improvement, or to the Susquehanna at Duncan's Island. It will be a long time before the facilities and means of transportation in this region will enable either of those districts to send much coal to market, and the highest hope that they can reasonably entertain for years to come is to supply the demand upon the banks of the Susquehanna.

It will be readily perceived from the results which we have given, that the *Schuylkill District* is unrivalled in its advantages, and that it continues to furnish more than one-half of the entire product. This arises from many causes:—

1st. Because it is *nearest to tide water*.

2. Because all the mines, with one exception, are conducted by individual enterprise, and not by incorporated mining companies.

3d. Because the varieties of coal in this region are much greater than that of any other—relating chiefly to the ease of ignition—some being hard and emitting intense heat; others softer, and burning more easily and depositing different ashes, and possessing qualities peculiar to themselves. "These varieties, after all," as Prof. Silliman says, "are merely shades of difference in the members of the same family; and they are fortunate differences, as they afford a more perfect adaptation to the various purposes of the arts and domestic economy."

4th. Because neither of the works engaged in the transport of the coal have any thing to do with the mining operations.

These important advantages were soon perceived, and attracted a vast population; the field was open to the enterprise and capital of all, and hence persons of wealth and standing were quickly awakened to the advantages presented, and laborers and mechanics from all nations and all quarters thronged to it, and found ready and constant employment.— Towns and villages were soon erected, and edifices and machine shops were built that would compare with any in the state, and thus established this trade upon a solid and permanent basis. It being, therefore, open to the trade of all—its land—its mines—its houses—its agriculture, it must ever continue to maintain its supremacy in the coal trade, for competition is the life of business, and without it no trade will be healthy or keep up the spirit of improvement. There is no monopoly. The coal operator often owns the land, and prosecutes the business with his own hands, while others lease the mines, and thus the highest competition is produced.

It is only of late that great facilities of transport have been enjoyed by this region, for the Schuylkill Canal was at first a very inferior work. The *visionary* men (so called at the time) who originated it, hoped that 30,000 tons of coal per annum might pass over their line to market, and yet they lived to see it transport in 1841, 584,000 tons of coal and 116,000 tons of other miscellaneous trade—700,000 tons in all. What a glorious reward for their enlightened enterprise! But the capacity of this canal has been increased *nine times* that of the improvement, when originally opened to the trade. But *all this* would not satisfy the demands of the public and the increasing consumption of an article of first necessity, and hence human ingenuity was called upon to devise some other mode of transport, better fitted for the purposes. This has been furnished in that magnificent and unrivalled work for heavy transport, the Reading railroad. It was a *bold and original* conception to construct a work *with grades, either level or descending, in the direction of the loaded trains, and with no more abrupt descent than nineteen feet to the mile, and this for a distance of ninety-five miles. Where is the like improvement to be found?*

It has been entirely successful, and proved the very agent which we desired, and is destined *yearly* to exhibit better and more perfect results. Its saving of time, convenience of dispatch, and as an avenue at all seasons of the year, cannot be too highly appreciated. Besides, it is an improving machine, and its capacity for trade almost *endless*. But let us look at the result upon this road since it has been opened to the trade in *coal alone*.

|       |                     |              |
|-------|---------------------|--------------|
| 1842, | Amount Transported, | 49,296 tons. |
| 1843, | do.                 | 240,237 "    |
| 1844, | do.                 | 441,391 "    |
| 1845, | do.                 | 826,237 "    |
| 1846, | do.                 | 1,239,143 "  |
| 1847, | do.                 | 1,356,008 "  |

But why is it that after it has thus realized more than the most sanguine expectations of its friends predicted, both as to the amount of its tonnage and economical transportation, its stock should continue below par? Has it not been demonstrated to a *certainty*, that with the present

trade, it can and will pay a dividend, exceeding that of the average dividend of any of our eastern roads, where all the stocks are above par?—If this is not so, we should like to know *why* from some of those in that section of the country which is most experienced in railroad transportation, and where the subject is so well understood.

In 1847, Massachusetts expended for 698 miles of railway, \$34,461,513, which in the aggregate paid a net income of 7.71 per cent., and enjoyed a tonnage of 1,769,332 tons; whilst the Reading railroad has cost only \$12,000,000, and transported last year 1,770,906 tons, and paid a dividend of twelve per cent.,—a *greater tonnage* than all the roads of Massachusetts, and this tonnage increasing in coal alone, at a rate exceeding twenty per cent. per annum.

It is impossible for the mind to picture a more exhaustless fountain of traffic, than is enjoyed by this road if we look to coal alone; but when we consider that it is located along the beautiful, rich and populous valley of the Schuylkill, in the midst of wealthy and flourishing agricultural villages and manufacturing towns, skirted by mountains full of iron ores, and which latter is manufactured upon its line by the several processes from the ore into the finished bar or nail, what sane mind can doubt, that every year will show a larger and better income for every dollar's increased expenditure!

But independent of this trade, which actually exists equal to all its present capacity, there is no other improvement which so soon *creates trade*, by bringing within certain *limits* and concentrating the manufacturing business of the country. It places the fuel, the ore, the flax, the furnace, the rolling mill, the nail factory, almost together, by furnishing between each a cheaper, speedier, and easier communication. Indeed, so great is this advantage that the coal mountains are made literally to pour out their mineral treasures into the very lap of *commerce*, for the cars which receive the coal at Schuylkill county are passed with great rapidity along the road, until they reach the border of the Delaware. Here their precious contents are speedily swallowed up, from the opened bottom of the coal cars, in which it left the mouth of the mine, by the fleet of vessels that are ready to receive them and transport them to meet the wants of our populous and vast cities.

But what is the iron business alone to effect upon the line of this work? The manufacture of iron from mineral coal has only commenced in this country, and since its commencement, like the coal trade, has greatly outrun the expectations of its most sanguine friends, and is rapidly adapting itself to European prices. Indeed, the day of protection is gone, and an article of prime necessity must be furnished at the lowest price. It is therefore the command of fuel at the lowest price, that gives to any state or nation the chief source of its industrial prosperity. Iron, tin, and copper are nothing without *fuel* and *steam*, also the great agents of civilized life. Possessing, therefore, throughout the entire length of this road, fuel at so cheap a rate, and all the other elements of manufacturing wants, where can manufactures be established, unless within the coal field, with equal advantages for fuel, for subsistence, for climate, for distribution and sale.

## CAPITAL AND LABOR.

From the Monthly Art-Journal, London, July, 1848.

THE basis of the economic errors, which we have exposed in the papers, on the relations between employers and employed, is that capital means money. But any fund industrially accumulated, which can be employed to facilitate or extend production is capital in the fullest sense of the word. Skill, which is a fund of knowledge accumulated by industry,—which is applicable to the increase and extension of production,—which, when industrially invested, returns interest proportioned to its amount in the shape of increased wages or profits, is as much capital as bullion or consols. The same may be said of taste, of mechanical facility acquired by practice, of every advantage arising from education, and even of moral character; each of these are funds accumulated industrially, and in a normal state of things, paying interest to their possessor, when productively invested. The old aphorism—

“When land is gone and money spent,  
Then learning is most excellent,”

if expressed in economic language, would state that learning will serve as a capital to him who does not possess capital in the form of an estate or a balance at his banker's.

No economist, save Jean Baptiste Say, has treated what we may call intellectual and moral capital, with the fullness and precision which the importance of the subject demands, and it is to this neglect that we may ascribe the neglect of that industrial training either in special manufactures or in the sciences applicable to varied forms of industrial pursuit, for which Great Britain is unfortunately remarkable. Passing over this for the present, we come to the important consideration that there can be no natural hostility between capital and labor, because nearly every laborer is, to a certain extent, a capitalist. It is for this reason that the French system of solidarity is essentially false and unjust; it proposes an association in profits between capitalists and operatives; whereas the only possible association is a co-parcenary of capitalists.

It is singular that the error which we have pointed out should have misled such able men as M. Charles Duveyrier, Mr. Robert Chambers, and the latest writer on Political Economy, Mr. John Mill. They all represent the co-operative experiment tried in M. Leclaire's experiment as an instance “in which the whole capital belongs to an individual capitalist.” Had not Charles Duveyrier contrived to infect Mr. John Mill with his fourrierist notions, this able logician could not have fallen into a blunder so gross and palpable as to deprive him of all pretensions to rank as an authority in economic science. We shall state this boasted case of solidarity as nearly as possible in Mr. Mill's own words.

M. Leclaire, an eminent house painter in Paris, who resided at No. 11, rue St. George, employed on an average two hundred workmen, whom he paid in the usual manner, by fixed salaries or wages. Those who

are acquainted with the great and rapid progress of building in Paris, both in the erection of new edifices and in the decoration of ancient houses, will readily believe that M. Leclaire's business enjoyed the benefit of steady demand and assured profit. He found what every employer under such circumstances more or less finds, that "there were workmen whose indifference to his wishes were such that they did not perform two thirds of the work of which they were capable." Like many other masters he was continually fretted by seeing his interests neglected and he believed himself entitled to suppose that workmen are continually conspiring to ruin those from whom they derive their livelihood. He tried the effect of giving higher wages, and by this means he managed to obtain a body of excellent workmen, who would not quit his service for that of any other employer, but who nevertheless were not free from those vices of waste and negligence which he had found so injurious to his property.

To remedy this state of things he resolved to establish a yearly division of whatever surplus profits remained, after paying the wages of the operative, the interest on invested capital, and a fair salary to himself as manager. The result was stated to be a vast improvement in the habits and the demeanor of his workmen, the assurance to M. Leclaire himself of a fixed salary fully equal to the average of his yearly profits, and a bonus at the end of the year to each workman, of three hundred francs, (above £12,) in addition to his regular wages.

When our attention was called to this statement by Mr. Charles Duveyrier, we deemed the plan excellent, equitable, and capable of indefinite extension. Mr. Charles Duveyrier, as many of our readers know, is a gentleman of the most warm and generous feelings, possessing a ready wit, an eloquence of simple earnestness, and a most intense desire to consecrate his life to the service of humanity. The narrative as given by him, was so fascinating and delightful as to produce that instinctive desire to believe, which very often becomes the foundation of implicit faith, if not absolute credulity. We resolved at his request, to prepare a work on the subject, but previous to doing so, we resolved when we next visited Paris, to examine for ourselves the nature and the working of the system. It proved to be as complete an Utopia as ever entered the head of a fantastic visionary.

Of course we never could have regarded such an experiment as an instance "in which the *whole* capital belongs to an individual capitalist;" Mr. John Stuart Mill is probably the only person who ever bestowed a thought upon the subject, that could have fallen into so perverse and ludicrous an absurdity. We regarded it as obviously and plainly a partnership between capital and capital—between capital in money and capital in skill—and we found on examination that this partnership was greatly facilitated; we should, perhaps, rather say, rendered possible, by this being a case in which the capital in money approximated to a *minimum*, and the capital in skill to a *maximum*. When this was once established, there was an end to all hopes of an indefinite extension and application of the system.

Every body knows that a very large stock of paints, brushes, scaffolding, and other implements, may be had for a very small sum. Properly

speaking, M. Leclaire was neither a capitalist nor a manufacturer; he was what the French call an *entrepreneur*, or contractor, who furnished designs and received orders for decorating houses, and then engaged operatives to perform the work. We see, therefore, that the person brought forward to establish a strong case in favor of solidarity, belongs to a class which in all systems of solidarity it is proposed to abolish. This, to be sure, may appear a very trifling objection, or a mere cavil to Fourierists and Communists. We shall not dwell upon the inconsistency, but leave them to expound it as best they may; the important matter for us is to show the gross fallacy of asserting, as Mr. Mill does, that "the whole capital belongs to an individual capitalist." There was no such disposition as that between everything and nothing in the partnership; on the contrary, we have shown that the capital of the head of the firm was as small as it well could be in such a concern. Let us now examine the case of the other partners.

The house decorators of Paris are a very superior set of artisans: they possess frequently a cultivated taste, great cleverness in design, much skill in managing the harmonies and contrasts of colors, and unrivalled tact in the mixing, grinding, and the laying on of color, so as to produce, at once, the most brilliant tints and the most delicate shades. Some of the men in M. Leclaire's employment had no slight pretensions, as we happen to know, to rank as artists. We should be glad to know from Mr. Mill why he throws all those qualifications out of view, and sets down those decorators as men of no capital?

Finally, the experiment, though made under the most unexceptionable and favorable circumstances, has signally failed. The time came when M. Leclaire met losses, and of these the operatives neither could nor would bear apart; the profits of past years instead of being accumulated into a reserve fund, to meet the contingencies of a reverse, had been divided and dispersed; the whole concern we have been informed, is either bankrupt or broken up. And yet this is the instance which one of the most recent, and certainly one of the most dogmatic, of writers on Political Economy, holds forth as an interesting and instructive example for general imitation. We sincerely trust that "the probable future of the laboring classes" will lead to a very different system from that propounded by Mr. Charles Duveyrier or Mr. John Stuart Mill.

The proper remedy for M. Leclaire to have adopted was to pay by the piece instead of by the day, for he would thus have enabled the capitalist-laborer to derive a fair rate of interest from the capital which he had invested in skill. There was an obvious injustice in an equal division of profits at the end of the year, for equal bonuses were thus necessarily given to different degrees of merit, and the motive to exertion and improvement was so far destroyed.

Finally M. Leclaire's system, instead of being a novelty, pointing to a future, was a revival of an antiquated custom, which we find lingering in all localities and employments belonging to the rudest stages of industry. The co-operative system, and equal division of profits, is common in agriculture, where there are pauper peasants, in fisheries, where there are pauper fishermen, and in manufactories, where jobs are undertaken by pauper contractors. Mr. Mill must have neglected the most essential

of all studies for a political economist, the history of the industrial progress of nations, when he mistakes a past that has been abandoned, for a future to which we are tending. The co-operative system and the division of profits, was that of the early trading companies and the buccaneers; the story of Whittington might have reminded him of a time when every clerk and servant in a merchant's employment sent out his venture to swell the exported cargo, and received his share of the imported returns. The system is still practiced by the poor peasants of Auvergne, when they unite to till their ground in common; by the Indians of North America when they combine to chase the buffalo; by the fishermen on the west coast of Ireland, who have not yet obtained capitalist employers; by the backwoodsmen in North America, and by the countless associations of beggars, as is abundantly shown in the records of the Mendicity Institution.

We look for progress from the cause which all experience shows to have been the only source of national or individual advancement; the substitution of skilled for unskilled labor. We wish to see operatives raised more and more to the rank of capitalists by the development of their tastes, the increase of their knowledge, and the enlargement of their minds. It is not the least cause of our preference for the competitive system, that it stimulates to improvement by the most powerful of all human motives, that of self-interest. If evils have arisen from the existence of large capitals, counteract them by creating a number of small capitals; raise the operative, but do not depress the employer; strengthen the poor, but do not weaken the rich; increase the capital of the employed, but do not strike at the capital of the employer.

In all these discussions we have felt that the theories of the Communists, and the more numerous and more dangerous class, the Semi-Communists, perilous as they are to all classes of capitalist-laborers, are most of all so to the designers and the decorators, who have most largely invested their capital in skill and taste, and whose labors in acquiring that capital are least known to the generality of mankind. The ignorant masses are utterly unable to appreciate mental labor, and they therefore exclaim with bitterness against what they believe to be its disproportionate remuneration. M. Leclaire's profits as an *entrepreneur*, doubtless, did appear disproportionate to his journeymen, and they only tried to equalize the distribution by giving as little work as they could possibly help for their four francs per day. In their view he led a very pleasant life, merely walking about from the house of one nobleman or gentleman to another, listening to hints of ornament suggested by the titled, the wealthy and the beautiful. They took not into account the long labors of training by which he was enabled to estimate the effects, and the practicability of such suggestions; and as little did they think of the mental toil necessary to form all the combinations necessary to their realization and execution.

There is a school of economists too much disposed to fall into the vulgar error of confining their attention to the physical agencies of production, and neglecting the intellectual. It must, however, be confessed, that the physical agencies are gross and palpable, while the intellectual escape human ken. Men are too apt to give an unwarrantable extension



to the aphorism, *De non apparentibus, et non existentibus eadem, est ratio*. How few are able to form any estimate of the cares and toils, and laborious calculations of the head of a large establishment; it is because their amount is not known that their reward is grudged. Where such feelings prevail the artistic operative is sure to suffer. The weaver murmurs because the person who produced the design is paid a larger sum than he who wrought it; just as we have heard operatives complain that the overseers received larger wages than the actual workmen. A manufacturer of our acquaintance once listened to the cry; he raised the wages of his workmen and diminished those of the overseers: the result was that both neglected their duty, and had he not reverted to the old system, both must have become bankrupt.

We sincerely regret to find the exploded nonsense of the organization of labor revived by a gentleman of such intelligence as Mr. Mill, and one who has displayed considerable power and acuteness in discussing the other parts of economic science. Like Louis Blanc, he leaves no place for art, design, or contrivance in his hierarchy of labor. With him knowledge, intelligence, taste and skill, take not the rank of capital; the laborer is still a laborer, whether he works with the mind or with the fingers, and operatives whether engaged in design or in the realization of design, are "hewers of wood, and drawers of water." Such monstrous generalization resembles more the ravings of an excited Chartist than the reasonings of a sober philosopher.

The operative who has invested his labor in acquiring a knowledge of his business, aptitude for his peculiar pursuit, even if it be no more than manual dexterity, or mechanical facility, is a capitalist to the extent of his investment and acquirements, and is to the full as much interested in maintaining the rights of property and social order, as if his capital had assumed the form of land or money. Indeed, he is more so; the productiveness of the land will remain, and money will continue to be transferable in a period of social disorganization and confusion, but when such a state of things arises, the operative encounters the danger of a cessation of demand for the products of his special aptitude. This has been the case in Paris. There is no demand for design, for taste, or for skill in the *Ateliers Nationaux*! There, indeed, all are equally "hewers of wood, and drawers of water," without any such distinction as we find among the operatives of England. And here we may remark that the views which we put forth three months ago, on the economic and artistic effects of the French Revolution, have been realized to the very letter; while every one of Mr. Mill's speculations of the probable results of his co-operative system, and his "Organization of Industry," have been decisively refuted by the lamentable example of France. It is truly grievous to find men with heads on their shoulders, and beards on their chins, describing a return to barbarism an advance of civilization. But Mr. Mill may rest assured that the vapid sentimentality of Jean Jacques Rousseau will not pass for sound philosophy in the nineteenth century; and that he will be required to exert more scientific cookery than he has yet displayed, to render the theories of Louis Blanc, or even the fanciful speculations of the amiable Charles Duveyrier, palatable to English taste.



The strength of England lies in its capitalist laborers more than in its physical capital. They form a gradation of ranks between the class of laborers and the class of monied capitalists, sufficiently numerous and sufficiently strong to prevent the one class from ever being set in hostile array against the other. There is "no widening and embittering feud," as Mr. Mill asserts, between the class of laborers and the class of capitalists. It is utterly impossible that there could be such a feud when so many of the laborers themselves are capitalists. There is no country in the world where there is less real separation of class than in England, and there never was a period in English history when that separation was less than it is at the present hour. It is quite true that the distance which separates the richest from the poorest has been increased; but the interval has been filled up by graduated fortunes ranging from the highest point of the standard down to zero. At the point where monied capital begins to diminish rapidly, intellectual capital and moral power take its place, and the subordination goes on regularly until we reach the zero of indolence, ignorance, incapacity and pauperism. A zero there must ever be in society, until men become angels, and angels gods. We wish that Mr. Mill would act as fairly as Louis Blanc, and set forth his plan for the organization of labor and equitable division of profits. Where would he commence his system of partnership? There is a most valuable class of men in society, who place all their property within a ring fence at the moment they put on their hats. They pass their lives "in the service, and for the benefit of others;" and yet Mr. Mill would not venture to call them "hewers of wood and drawers of water," for the class would include literary men, artists, the editors and conductors of public journals, and even Mr. Mill himself, seeing that his services, which are for the benefit of the East India Company, are paid by a fixed salary, without any participation in the profits obtained by the Lords in Leadenhall Street.

Mr. Mill declares that men will be "less and less willing to co-operate as subordinate agents in any work when they have no interest in the result." Every cognisable fact in society refutes this preposterous position. The division of labor in most forms of production multiplies the processes between incipency and result to such an extent that the "subordinate agents," in the intermediate stages, can know nothing about the result, and can consequently feel no interest in it. He adds, "It will be more and more difficult to obtain the best working people, or the best services of any working people, except on conditions similar to those of M. Leclaire;" conditions, be it remembered, that broke down completely in the experiment. But does Mr. Mill mean seriously to assure us that the *Times* will be unable to command an efficient staff of reporters unless these gentlemen be admitted to a share in the profits of the paper? That magazines and periodicals will find no contributors unless the publishers, in addition to paying a stipulated price, make an equitable distribution of profits besides? Is the man so utterly ignorant of business as to suppose that profit is the invariable rule, and that loss never appears as an exception? He might just as well say that the tailor will not make our coats, unless we contrive that he shall share in the comfort of wear-

ing them, or that the brewer will not supply ale unless invited to a share in the drinking.

Such philosophy belongs to that insurrection of physical force against the supremacy of mind, which is now, and will for some months to come, be the scourge of Europe. The physical agent has no right to any portion of such profits, as have resulted exclusively from the direction of the conducting mind; such a claim is as unjust in morals as it is false in economic science. The operative has every right to a fair profit on his capital, but he has no earthly claim to the profit derived from the capital of others; but according to the common fallacy, "he has a right, because the capital would not be productive without his labor." Well, this article could not be written without paper, but has the servant who brought this paper into our study, any right to participate in the payment we receive for the contribution?

We have had some experience in the workings of joint stock companies, and we are by no means impressed with any admiration of extended partnerships. The co-parcenary system of land, wherever it exists, is a perfect nuisance; and the prevalence of the practice is, we believe, one of the chief causes of the low condition of the Irish fisheries. But there is a legal difficulty which Mr. Mill has left out of sight, the act of a partner is binding on a firm. Will an employer consent to risk the hazard of partnership with every operative that enters his concern? debts between partners are irrecoverable at common law; and we doubt whether operatives would like that their only means of recovering wages should be an expensive suit in equity.

We are anxious for elevating the physical as well as the mental and moral condition of the working classes as any one can be, but we protest strongly against all exaggerations of their condition. The operatives of England, even the lowest grade, are not mere "hewers of wood and drawers of water," they have shared more largely in the advantages of progress than any other class of society; in the command of physical comforts, in moral respectability, in mental improvement, and in social importance, they are infinitely superior to those of their own class in any part of Europe, and still more so to those of a similar class in England during the last century. A great deal of the commiseration expressed for them by pseudo-philanthropists, is but disguised contempt, and there are many among them sufficiently shrewd to detect the imposition.

The two plans of improvement proposed for the operatives may be described as turning on either production or distribution. The economist urges the increase, the improvement and the extension of production, since thus the wealth of individuals and the common stock of the country are enlarged and a reserve fund established to meet the contingency of checks and reverses. The sentimentalist proposes that a system of distribution be adopted which should secure to the operatives larger gains and more extended comforts than they at present enjoy. But the sentimentalists forget that if you distribute faster than you produce, you will have entered on an exhaustive process, advancing with an uniformly accelerated ratio, of which it is not difficult to foresee the end; in just the same proportion as the fund to be distributed becomes "small by degrees and beautifully less," will be found that the claimants for shares

become multiplied, and at the same time reproduction, which has to supply the fund, begins to illustrate the theory of vanishing fractions. It is easy to see that under such circumstances, establishments and societies must soon be brought to a dead lock. An American poet says,

“That all who give way to these Socialist tricks  
Will soon be placed in a pretty particular fix.”

The French have reached this “pretty particular fix” already, simply by adopting what Mr. Mill sets forth as the highest beatitude of human society. There is an end to the manufacture of articles ministering to luxury and taste in France, for many a long day. Gastronomic skill is becoming the tradition of a by-gone age; artificial flowers

“Are born to blush unseen,  
And waste their ‘beauty where no gazers stare.’”

The “gems of purest ray serene” might just as well be in the “dark unfathomable caves of ocean” as in the shops of jewellers whose doors are never darkened by the shadow of a customer. Hervieu and Potard whose splendid collection of flowers and ribbons attracted more of our fair countrywomen to their establishment, than their rancorous hostility to everything English repelled, if an English customer appeared in the solitude of their warerooms would deem it

“At once an honor and a duty  
To kiss the shadow of her shoe tie;”

the Rue (ci-devant) Royale has lost its prosperity with its name, the Rue de la Paix has the peace within its shops, which the Roman historian identifies with solitude. Delisle’s Novelties are fast passing into the category of antiquities; and the *Passages* have as little trade as the Catacombs. This desolation is not the result of the Political Revolution which has been consummated; it has been almost wholly caused by the social revolution which has been attempted and which has been commended to us on the high authority of Mr. John Stuart Mill. Truly it was time for our Journal to take up the cause of economic science, when all art, all improvement, all progress and all trade, were thus directly assailed by the latest writer on Political Economy.

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**NEW FRENCH COIN.**—We have a five franc of the glorious Republic. There is no king’s crown or head upon it. One side is a wreath encircling the words “5 Francs, 1848.” On the other side are three figures which are not exactly mythological, but are no worse for that. The centre figure is evidently Hercules, covered with his lion’s skin. On either side of him is a female figure. One has a staff, surmounted with a hand opened upwards; the other holds a levelling compass; their hands being united in front. These two females may represent Liberty and Equality, perhaps, and old Hercules may preserve Fraternity. Around the group are the three great words of the Revolution, “Liberte, Egalite, Fraternite;” and on the edge are the words of faith, “Dieu protege la France.”—*Journal of Commerce.*

# PATENT OFFICE REPORT.

EXTRACTS FROM THE ANNUAL REPORT OF THE COMMISSIONER OF PATENTS TO CONGRESS, 1848.

[Continued from page 131.]

It is unnecessary to occupy time in the statement at length of the grounds on which we have proceeded in making up the table or the particular elements of which it is composed. A reference to the preceding reports, in which these are fully stated is all that now seems needful. We barely remark in addition, that the causes specified may exert a greater or less influence in different years and their operation may likewise be modified by others which may intervene, one or more years, and then perhaps be unknown. A glance at a few leading points comprised in the history of the world, and our relations to the same may not here be without interest or advantage, in prosecution of the object to be aimed at in this report—a faithful representation of facts in respect to our resources in agricultural wealth and its best modes of development.

The *state of the world abroad* has no doubt exercised an influence on the arrangements of our agricultural industry. There has been a greater demand of us for food by the nations of Europe. We leave out of question here all disputed points with reference to great political theories, and confine ourselves to those facts which will be universally acknowledged.

The almost total failure of one crop and the great deficiency of some of the others in Europe, rendered it necessary for those countries where the evil was most severely felt to look to us for a supply. Such was the state of their commercial regulations also as favored the introduction of our produce on more easy terms than heretofore. The demand thus created has had its influence on a people like our own, not slow to perceive any openings for their enterprise either at home or abroad. Their industry has been stimulated, and the prospect of an abundant market has led the farmers and planters in the various sections of our republic to prepare a greater breadth of land for grain and other crops. The recurrence of the same mysterious cause or disease, which has so greatly diminished the potatoe crop in our own country, has likewise unquestionably turned the attention of some of our agriculturalists still more to other products of the soil less precarious, and which might be substituted for that well known and favorite fruit of the earth.

The *war*, it might be supposed, by withdrawing numbers, especially in the west, from the pursuits of agriculture, and from producers converting them into consumers, has lessened the aggregate of the harvests and thus balanced the effect of more favorable influences. This cause has undoubtedly had its influence, and must be regarded among others in looking over the operations of things at home and abroad; but the extent of its exercise on the great crops of our country, it is believed has been compara-

tively small. The number of practical agriculturists taken from their occupations is deemed too few for their influence to have been very perceptible, and the demand of food may not have been materially lessened on this account. It cannot, we believe, be viewed as fairly counterbalancing other and more influential elements, such as those for instance, which are comprised in the variations of the seasons, the improvements in husbandry, and greater foreign demand.

The year opened with unusual promise of activity in business at home and abroad; a prospect which has proved remarkably correspondent to the actual result. Expectation of greater demands from abroad, with a prosperous state of things at home, authorized, it was felt, more than usual effort to meet the requisition of almost starving nations, and a multiplied population of our own. Besides the increased amount already devoted to the winter grains in the previous autumn, the spring and summer seeding, it seems, was considerably larger than usual.

Taking the whole extent of the country, the season of the previous year, (1846,) was favorable; in the large grain districts the crops were abundant, and this, again, may have had a tendency to stimulate agricultural industry, particularly as the outlet for the surplus appeared to be widened. Farmers are proverbially influenced not a little by the effect of one or more favorable or unpropitious seasons. They feel encouraged, when they have been successful, to go on and extend yet more their enterprizes; but if balked in their expectations by untimely weather and lessened harvests, they shrink back, and scarcely feel willing to repeat their experiment. Happily, this year there had been and yet existed that combination and co-operation of causes which dispelled their fears, and emboldened them to plunge the plough yet deeper and farther into and through the soil; and their most sanguine expectations have met, it is believed—looking at the collective aggregate—with a proportionate reward of their labor.

Whether the stream of surplus products will flow wider, or be narrowed down again to its former dimensions, time must determine; but from the best information we can gather, we should be inclined to hazard the belief, that though subject to occasional interruption, the progress of demand upon our agricultural resources will be steady, and with increased needs to be supplied. Facts that we are yearly accumulating seem to justify this expectation.

Unlike many other countries, especially those of the old world, the whole of our population comparatively enjoy the means of livelihood, and are fed from the plenty that abounds in our land. Vast numbers of their poor and starving have sought a refuge among us, and many, too, better provided, have chosen their habitation on the rich and fertile lands of the west and north-west, that are there outspread to invite their residence. Taken in the aggregate, these, while they have added to our population, have probably also increased the amount of products raised among us.

The *emigration* from Europe has been far beyond what it ever was before. By the returns of the collectors of five of the principal ports, to the Secretary of State, the number of persons of this character arriving during the year ending Sept. 30, 1847, is stated to be 233,798, an in-

crease of not less than 82,134 in one year. It is very probable that the addition of others at the smaller ports, and those entering our country by the way of Canada, would swell the aggregate to not less than 300,000, and possibly more. The following table presents the comparison, in this respect, of the last two years:

|               | For the year ending<br>Sept. 30, '46. | For the year ending<br>Sept. 30, '47. | Increase.    |
|---------------|---------------------------------------|---------------------------------------|--------------|
| New York,     | 98,863                                | 145,830                               | 46,967       |
| Boston,       | 14,079                                | 20,745                                | 6,666        |
| Philadelphia, | 7,237                                 | 14,763                                | 7,526        |
| Baltimore,    | 9,327                                 | 12,018                                | 2,681        |
| New Orleans,  | 22,148                                | 40,442                                | 18,294       |
|               | <hr/> 151,664                         | <hr/> 233,798                         | <hr/> 82,134 |

The ratio for the months since Sept. 30, for the whole time has probably increased rather than diminished, though we notice that, as to the port of New York, it is stated there has been a slight falling off. In that port, however, in one of the months since that at which the enumeration above given closed, we have seen it stated the persons thus arriving amounted to about 17,000.

A portion of this emigration no doubt still lingers in the Atlantic cities, and numbers are employed on the various rail roads and works of public improvement still in progress. But the vastly greater number direct their way to the west. A single fact or two shows the influx of population from this source in the north-western states. In general the current flows on unobserved, but now and then some incident transpires which calls the attention to its ever-widening tide. In the catastrophes which have occurred on the lakes and rivers of the west, it is found that a large proportion of the passengers moving westward are foreign immigrants. Thus, in the case of the steamer *Phoenix*, lost by fire recently, out of three hundred passengers, not less than about two hundred are said to have belonged to this class. This was the fact, too, in the wreck of the *Talisman*, on her way up the Mississippi. A very large proportion of the passengers were Germans. The Norwegians alone in Wisconsin are said to number not less than 15,000, and many thousands more are expected soon; 8000 more are stated to occupy the northern portions of Illinois. From 50,000 to 100,000 Germans, it has been mentioned, on what appears to be good authority, are preparing to embark for the United States in the course of another year.

Thousands of acres, and some of the best kind, are in every successive stage of improvement, and every year takes from them a fair proportion and adds their products to the great aggregate of the harvests.—This, in the more recently constituted States, furnishes a large counterbalance to the effect of the disastrous season, and is one reason why, notwithstanding the apparent necessity of reduction in our estimates, we have sometimes put down an actual increase. The sale of the public lands during the past year, as appears by returns to the Land Office, amounted to 2,526,600 acres, principally in the States of Illinois, Indiana, Missouri, Alabama, Louisiana, Arkansas, Iowa, Wisconsin.

## ESTIMATE OF THE CROPS FOR 1847.

| No.    | State or Territory.   | Population<br>in 1840. | Population<br>in 1847. | Bushels of<br>wheat. | Bushels of<br>barley. | Bushels of<br>oats. | Bushels of<br>rye. | Bushels of<br>buckwheat. | Bushels of<br>Indian corn. |
|--------|-----------------------|------------------------|------------------------|----------------------|-----------------------|---------------------|--------------------|--------------------------|----------------------------|
| 1      | Maine,                | 501,973                | 600,000                | 890,000              | 286,650               | 1,720,000           | 195,000            | 76,000                   | 2,890,000                  |
| 2      | New Hampshire,        | 284,574                | 300,000                | 610,000              | 129,150               | 2,100,000           | 460,000            | 169,000                  | 2,228,000                  |
| 3      | Massachusetts,        | 737,699                | 850,000                | 236,000              | 170,100               | 2,000,000           | 620,000            | 138,000                  | 3,410,000                  |
| 4      | Rhode Island,         | 108,830                | 130,000                | 4,500                | 54,000                | 210,080             | 50,000             | 4,500                    | 800,000                    |
| 5      | Connecticut,          | 309,978                | 330,000                | 125,000              | 28,000                | 1,510,000           | 1,200,000          | 480,000                  | 3,180,000                  |
| 6      | Vermont,              | 291,948                | 302,000                | 664,000              | 55,000                | 3,905,000           | 350,000            | 330,000                  | 2,100,000                  |
| 7      | New York,             | 2,428,921              | 2,780,000              | 14,500,000           | 3,931,000             | 26,200,000          | 3,650,000          | 3,660,000                | 16,000,000                 |
| 8      | New Jersey,           | 373,306                | 416,000                | 1,100,000            | 10,000                | 5,225,000           | 3,050,000          | 980,000                  | 8,000,000                  |
| 9      | Pennsylvania,         | 1,724,033              | 2,125,000              | 14,150,000           | 150,000               | 18,835,000          | 12,000,000         | 3,600,000                | 20,200,000                 |
| 10     | Delaware,             | 78,085                 | 80,000                 | 410,000              | 4,400                 | 650,000             | 55,000             | 14,000                   | 3,620,000                  |
| 11     | Maryland,             | 470,019                | 495,000                | 4,960,000            | 2,900                 | 1,860,000           | 975,000            | 115,000                  | 8,300,000                  |
| 12     | Virginia,             | 1,239,797              | 1,270,000              | 12,000,000           | 90,000                | 10,000,000          | 1,500,000          | 560,000                  | 36,500,000                 |
| 13     | North Carolina,       | 753,419                | 765,000                | 2,350,000            | 4,000                 | 3,507,000           | 235,000            | 18,000                   | 25,000,000                 |
| 14     | South Carolina,       | 594,398                | 605,000                | 1,300,000            | 4,500                 | 1,000,000           | 54,000             |                          | 12,600,000                 |
| 15     | Georgia,              | 691,392                | 800,000                | 1,950,000            | 12,300                | 1,140,000           | 70,000             |                          | 25,000,000                 |
| 16     | Alabama,              | 590,756                | 690,000                | 1,200,000            | 7,500                 | 1,831,000           | 75,000             |                          | 26,000,000                 |
| 17     | Mississippi,          | 375,651                | 640,000                | 500,000              | 2,000                 | 1,378,000           | 23,000             |                          | 16,000,000                 |
| 18     | Louisiana,            | 352,411                | 470,000                |                      |                       |                     | 2,200              |                          | 9,000,000                  |
| 19     | Tennessee,            | 829,210                | 950,000                | 8,750,000            | 6,500                 | 9,918,000           | 390,000            | 28,000                   | 74,000,000                 |
| 20     | Kentucky,             | 779,828                | 855,000                | 6,000,000            | 18,000                | 14,100,000          | 2,650,000          | 16,000                   | 62,000,000                 |
| 21     | Ohio,                 | 1,519,467              | 1,850,000              | 16,800,000           | 240,000               | 26,500,000          | 1,000,000          | 1,200,000                | 66,000,000                 |
| 22     | Indiana,              | 685,866                | 960,000                | 7,500,000            | 39,000                | 15,290,000          | 250,000            | 100,000                  | 38,000,000                 |
| 23     | Illinois,             | 476,183                | 735,000                | 4,900,000            | 116,000               | 4,200,000           | 155,000            | 120,000                  | 33,000,000                 |
| 24     | Missouri,             | 383,102                | 600,000                | 1,750,000            | 13,000                | 6,020,000           | 86,000             | 25,000                   | 25,000,000                 |
| 25     | Arkansas,             | 97,574                 | 152,400                | 200,000              | 1,000                 | 440,000             | 10,000             |                          | 7,000,000                  |
| 26     | Michigan,             | 212,267                | 370,000                | 8,000,000            | 210,000               | 5,600,000           | 90,000             | 290,000                  | 6,000,000                  |
| 27     | Florida,              | 54,477                 | 75,000                 |                      |                       | 10,000              |                    |                          | 1,000,000                  |
| 28     | Wisconsin Territory,  | 30,945                 | 215,000                | 1,200,000            | 30,000                | 1,500,000           | 8,000              | 30,000                   | 1,000,000                  |
| 29     | Iowa,                 | 43,112                 | 130,000                | 1,000,000            | 35,000                | 1,000,000           | 12,000             | 20,000                   | 2,900,000                  |
| 30     | Texas,                |                        | 140,000                | 1,110,000            |                       |                     |                    |                          | 1,500,000                  |
| 31     | District of Columbia, | 43,712                 | 46,000                 | 16,000               |                       | 15,000              | 7,500              |                          | 45,000                     |
| 32     | Oregon,               |                        | 20,000                 | 50,000               |                       |                     |                    |                          | 525,000                    |
| Total, |                       | 17,069,453             | 20,746,400             | 114,245,500          | 5,649,950             | 167,867,000         | 29,222,700         | 11,673,500               | 539,350,000                |

# ESTIMATE OF THE CROPS FOR 1847.

| No.    | State or Territory.   | Bushels of<br>potatoes. | Tons of<br>hay | Tons of<br>hemp. | Pounds of<br>tobacco. | Pounds of<br>cotton. | Pounds of<br>rice. | Pounds of<br>silk cocoons. | Pounds of<br>sugar. |
|--------|-----------------------|-------------------------|----------------|------------------|-----------------------|----------------------|--------------------|----------------------------|---------------------|
| 1      | Maine,                | 7,800,000               | 1,113,000      |                  |                       |                      |                    | 550                        | 500,000             |
| 2      | New Hampshire,        | 4,655,000               | 606,000        |                  |                       |                      |                    | 880                        | 2,225,000           |
| 3      | Massachusetts,        | 4,308,000               | 682,000        |                  | 135,000               |                      |                    | 40,000                     | 530,000             |
| 4      | Rhode Island,         | 730,000                 | 71,000         |                  |                       |                      |                    | 960                        |                     |
| 5      | Connecticut,          | 2,832,000               | 550,000        |                  | 806,000               |                      |                    | 200,000                    | 45,000              |
| 6      | Vermont,              | 7,086,000               | 1,250,000      |                  |                       |                      |                    | 8,000                      | 10,500,000          |
| 7      | New York,             | 24,000,000              | 3,800,000      |                  | 30,000                |                      |                    | 6,000                      | 12,800,000          |
| 8      | New Jersey,           | 1,850,000               | 434,000        |                  |                       |                      |                    | 4,500                      |                     |
| 9      | Pennsylvania,         | 7,600,000               | 1,720,000      |                  | 600,000               |                      |                    | 35,000                     | 2,000,000           |
| 10     | Delaware,             | 160,000                 | 20,000         |                  |                       |                      |                    | 3,600                      |                     |
| 11     | Maryland,             | 900,000                 | 125,000        |                  | 25,000,000            |                      |                    | 7,900                      |                     |
| 12     | Virginia,             | 2,950,000               | 400,000        |                  | 60,000,000            | 2,500,000            | 3,000              | 6,350                      | 1,750,000           |
| 13     | North Carolina,       | 2,600,000               | 136,000        |                  | 14,000,000            | 42,000,000           | 3,500,000          | 6,200                      | 15,000              |
| 14     | South Carolina,       | 3,500,000               | 30,000         |                  | 35,000                | 100,000,000          | 78,000,000         | 5,800                      | 35,000              |
| 15     | Georgia,              | 1,840,000               | 24,000         |                  | 205,000               | 210,000,000          | 15,500,000         | 6,000                      | 370,000             |
| 16     | Alabama,              | 2,150,000               | 18,000         |                  | 350,000               | 160,000,000          | 300,000            | 5,880                      | 15,000              |
| 17     | Mississippi,          | 2,050,000               | 800            |                  | 200,000               | 250,000,000          | 1,000,000          | 250                        |                     |
| 18     | Louisiana,            | 1,300,000               | 27,000         |                  | 135,000               | 195,000,000          | 4,000,000          | 1,200                      | 275,000,000         |
| 19     | Tennessee,            | 2,700,000               | 45,000         | 1,000            | 35,000,000            | 35,000,000           | 10,000             | 20,000                     | 530,000             |
| 20     | Kentucky,             | 1,810,000               | 130,000        | 15,000           | 65,000,000            | 2,000,000            | 20,000             | 4,400                      | 3,000,000           |
| 21     | Ohio,                 | 4,644,000               | 1,400,000      | 600              | 9,000,000             |                      |                    | 35,000                     | 5,000,000           |
| 22     | Indiana,              | 2,350,000               | 385,000        | 530              | 3,880,000             |                      |                    | 800                        | 6,400,000           |
| 23     | Illinois,             | 2,100,000               | 365,000        | 600              | 1,288,000             |                      | 7,500              | 3,200                      | 615,000             |
| 24     | Missouri,             | 1,050,000               | 80,000         | 10,000           | 14,000,000            |                      |                    | 230                        | 500,000             |
| 25     | Arkansas,             | 520,000                 | 1,100          |                  | 200,000               | 20,000,000           |                    | 260                        | 5,500               |
| 26     | Michigan,             | 4,980,000               | 260,000        |                  |                       |                      |                    | 1,500                      | 3,260,000           |
| 27     | Florida,              | 350,000                 | 1,200          |                  | 300,000               | 15,000,000           | 700,000            | 500                        | 300,000             |
| 28     | Wisconsin Territory,  | 1,080,000               | 96,000         |                  |                       |                      |                    | 40                         | 350,000             |
| 29     | Iowa,                 | 850,000                 | 40,000         |                  |                       |                      |                    |                            | 175,000             |
| 30     | Texas,                | 200,000                 |                |                  |                       |                      |                    |                            | 20,000              |
| 31     | District of Columbia, | 20,000                  |                |                  | 10,000,000            |                      |                    | 600                        |                     |
| 32     | Oregon,               |                         | 1,800          |                  |                       |                      |                    |                            |                     |
| Total, |                       | 100,965,000             | 13,819,900     | 27,750           | 220,164,000           | 1,041,500,000        | 103,040,500        | 404,600                    | 324,940,500         |

Patent Office Report.



## INDIANA PUBLIC DEBT.

From the New York Journal of Commerce.

AN agent of the State of Indiana is now paying, in this city, the semi-annual interest of two per cent. on one half of the original amount of her debt, to such of her creditors as have discharged or will discharge the State from the other half of the principal, as also the interest due on said discharged half of the principal.

The law of Indiana, under which the payment of interest is making on the *preferred* half of the principal debt,—*provides further*,—"That the State will make no provision whatever to pay either principal or interest, on any internal improvement bond or bonds, until the holder or holders thereof shall first surrender said bonds to the Agent of the State, and shall have received in lieu thereof, certificates of stock as provided in the first section of the Act."

The first section alluded to in this quotation, requires, as first above stated, that the holders of the bonds of the State shall give them up, and receive in lieu thereof, two certificates, each for an *equal moiety* of the principal of said bonds; one of which certificates the State promises to pay the interest thereon from and after the 1st of January, 1847, and finally to pay the principal of said half; and that the holder shall look *only* to the revenues of the Wabash and Erie Canal for the principal and interest of the other certificate.

To obtain the promise of payment of this 'preferred half of the principal, and also of *one half* of the interest due on said preferred half principal, the law of Indiana requires, first, that the creditors of the State shall subscribe to and complete the Wabash and Erie Canal, in an amount not less than eight hundred thousand dollars. Without this amount of subscription, nothing could be received by any one. With it, those who subscribed, could receive a new promise and the "solemn, irrevocable pledge of the faith of the State" for one half the principal and less than one half the interest due, "for the whole of which they held the same solemn and irrevocable pledge of faith as is contained in the new promise."

There is in this Act, a palpable violation of the Constitution of the United States, which says, "No States shall pass any law impairing the obligation of contracts."

There is no probability whatever that the subscribers to this *forced* loan will ever receive from the revenue of the Canal the half of the original debt of the State, from which they have been *compelled* to discharge the State. But whether there is a probability of it or not, the violation of the Constitution is equally great in either case; as the "obligation of the contract" is impaired, and one half of the debt is absolutely annulled, by the act of the State forcing the creditors to accept those terms or nothing.

It is hoped and believed that sober second thought will induce the State of Indiana, now the fifth in rank of population and wealth in our

Union, to correct, by future legislation, the wrong she has done to the Constitution, and the great injustice she has inflicted on her creditors. No one of the late embarrassed States has in prospect so abundant ability to satisfy the demands of justice, and at the time she created her debt it was believed that no State possessed a firmer integrity to meet those demands; an evidence of which is found in the fact, that her five per cent. bonds commanded, generally, a higher price than the six per cent. bonds of other Western States. And yet Indiana is the only State which has, by legislative act, repudiated a debt acknowledged to be just.

Some of the creditors who subscribed to the completion of the Wabash and Erie Canal, and who thereby discharged the State from one half of their claims, did so under a protest against the unconstitutional and unjust violation of their rights; and they will, under that clause of the Constitution which secures the right of petition, present to the next Legislature of that State, a memorial for a restoration of justice to them; which, if necessary, will be continued to future sessions of it, till the "faith irrevocably pledged by the State" is redeemed.

Justice, bare justice; and that according to the ability of that populous, wealthy, and rapidly increasing State, is all that is asked of it. We believe it impossible that she can continue to withhold this, or that her citizens will be willing for her to stand, and singly too, on the pages of American history, as a repudiator of a just debt. It is believed to be equally impossible in the nature of things, that an American *can* feel a proper self-respect, whilst the State to which he owes allegiance, is a defaulter in promises which have been so imposingly given by the State.

The creditors of that State residing in Europe, will be requested to join in the petition which will be presented to the Legislature at its next session.

A SUBSCRIBER UNDER PROTEST TO THE \$800,000 LOAN.

## PUBLIC DEBT OF INDIANA.

WASHINGTON, 27th July, 1848.

I have observed, in the "Journal of Commerce" of the 6th inst., an article addressed "*To the creditors of the State of Indiana*," by a correspondent who signs himself "*A subscriber under protest to the \$800,000 loan*." The circulation of this article in the columns of your respectable journal, is calculated to do great injustice to the State of Indiana; and I do not hesitate to request that you will permit me to refute, through the same medium, its unjust imputation upon the people of that State.

Your correspondent has chosen to characterize the State of Indiana as a *repudiating* State. This unwarrantable accusation is based by him upon the fact of her recent arrangement with the holders of her bonds, by which a portion of them have been surrendered,—an equal moiety of them being canceled in consideration of the transfer of the Wabash and Erie Canal, and the remaining moiety provided for by new certificates of

stock. The subscriptions under this act he calls a "*forced loan*," and insists that the subscribers have been "*compelled* to discharge the State" from a portion of her liability. A plain narrative of facts will show that there is not the slightest foundation for this aspersion of the integrity of a State, which has yet done nothing to tarnish its honor or to cause its citizens to blush.

There has never been, at any time, within the State of Indiana, a *repudiating party*. I readily admit that a *few* persons may have talked of refusing payment of a parcel of bonds sold to the "Morris Canal and Banking Company," for which the State, at that time, had received no consideration. These were so few in number that they were unable to make any impression upon the public mind. The *people*, of all parties, were willing to pay, and intended to pay, every dollar of the principal and interest of their debt. It is true, they suspended the payment of interest;—but this was done under circumstances so unavoidable, as to excuse the omission in the estimation of all candid and impartial men.—The State had no agency in bringing about these commercial and financial embarrassments which were visiting all parts of the country with their blighting effects. She suffered from them, in common with other parts of the Union, and only asked of her creditors that she might have a little time to reinvigorate her energies and give new impulse to her industry. Nobody complained of her, except a few, who, like the Jew in Shakspeare, have so trained their minds to think of dollars and cents, that they *will* insist upon the sum "*nominated in the bond*," though the life of the victim and even their own honor were the forfeit.

At the time the incipient steps were taken which resulted in the passage of the act referred to by your correspondent, the payment of interest had not been resumed. These incipient steps were taken *by the bond holders themselves, and not by the citizens of the State*.

Differences of opinion had arisen in the State, as to the best mode of disposing of the 800,000 acres of land granted by Congress to extend the Wabash and Erie Canal from Terre Haute to Evansville. It was known to every body that these lands did not constitute a part of the general internal improvement fund, and could be applied only to the purposes designed by Congress. To secure this result, and to concentrate public opinion on the subject, as far as possible, before the action of the Legislature, it was deemed advisable to hold a convention of delegates from those counties of the State immediately interested in the grant.—The first proposition to hold this convention came from myself, and had no reference whatever to the adjustment of the State debt. It assembled in Terre Haute, in May 1845, and I am convinced that not a single delegate came to it with the remotest idea of applying the proceeds of these lands to the payment of the State debt. That was not the purpose for which they had been granted—nor had the Wabash and Erie Canal ever been considered a part of the general system of internal improvement; or, in any way, bound for the payment of any other part of the public debt than that created for its construction.

Very shortly before this convention met, it was understood that it would be attended by a gentleman from the city of New York, who was the *authorized and acknowledged agent of the holders of Indiana*

*State Bonds.* This gentleman—*Charles Butler, Esq.*—did attend it. He addressed the convention in a very able speech, which was reported and published. I have not now before me, either the proceedings of the convention or this speech of Mr. Butler; but I very distinctly recollect, that he then suggested, *for the first time*, that these lands and the finished part of the Canal might be made the basis of an arrangement of the State debt. Thus your correspondent and readers will see, that both the bond-holders and the State may trace what adjustment has taken place, to this convention and these suggestions of Mr. Butler;—suggestions which were entitled to great weight, from the fact that they came from a gentleman who freely stated that he represented a considerable portion of the creditors of the State.

Mr. Butler, at that time, did not state that he was authorized to propose a plan of adjustment, but stated that he expected to attend the next session of the Legislature, at which time he thought he would be fully deputed to do so.

He did attend the ensuing session of the Legislature, in the capacity of *agent of bond-holders*;—how many or what bond-holders I did not then, nor do I now know. As such agent he formally addressed to the Legislature his plan of adjustment. It *originated* with himself, or those whom he represented. No suggestions in regard to its main features were made by anybody authorized to represent the State. Nothing was done in the Legislature, until this *plan* was communicated to it. When this was done, the Legislature acted wholly upon the suggestions of Mr. Butler, and passed a bill embodying all the general and important features of them. This bill was taken by Mr. Butler to Europe, and laid before a deputation of the foreign creditors of the State. Some amendments were suggested by them, and Mr. Butler upon his return to the United States, again visited Indianapolis, and laid these before the Legislature.—The most, if not all of these amendments, were finally adopted, and the arrangement now complained of by your correspondent, was thus consummated.

The following are the leading conditions of this arrangement, to wit: The State obliged herself that, if *one-half* of her outstanding debt should be surrendered in a given time, she would issue new certificates of stock for the remaining half, and, in consideration of the surrendered half, would transfer the Wabash and Erie Canal, with all its lands, tolls, water rents, &c., to trustees, for the sole use of those who should consent to the arrangement. This has all been done, in good faith, by the State, and *cestui que trusts* are now deriving the benefit of it.

Before the passage of this act, the State had expended on the Wabash and Erie Canal *proper*, about \$4,000,000, and on that part of the canal between Terre Haute and Evansville about \$250,000. About *three hundred and fifty miles*, of the whole line, were completed, and about *one hundred miles* remained to be finished with the proceeds of the lands granted by Congress. The cost of completion was estimated at \$1,250,000, and it was generally believed that the lands would be sufficient for this purpose—or very nearly so. The nett tolls and water rents then annually received varied but little from \$100,000, and were gradually increasing. Mr. Butler,—(I speak from my recollection only, having no

documents before me)—estimated that when the whole line should be in operation, from Toledo to Evansville, they would reach nearly or quite \$500,000 annually, if they did not gradually rise above that sum. All this has been transferred for the benefit of the trust.

It will be seen that for *half* the debt—say for \$5,500,000—the State has conveyed to her creditors a canal upon which has already been expended \$4,250,000, and to which the holders of the surrendered bonds are to look for the principal and interest thereof. If the tolls and water rents of the canal,—as intimated by the *agent of the bond-holders*—shall amount to \$500,000 annually, the bond-holders will receive annually, *more than the aggregate of interest upon the surrendered debt, with a surplus to be applied to the payment of the principal.* But if this estimate is too high, (and my own impression is that it is not *high enough*,) it is certainly not the fault of the State of Indiana. Mr. Butler had access to every possible source of information on the subject,—made his own estimates,—presented them to the bond-holders before the arrangement was finally made,—and everybody understood, at the time, that they were satisfactory to him and them. At all events, it was *their own proposition*, and it is too late for *them* to object or complain. The State acted, from first to last, *at the instance of the bond-holders*, and, in point of fact, *did not originate any part of the proposition.*

Since the commencement of the present session of Congress, an act has been passed confirming to the State an addition of 60,000 acres of land, the proceeds of which are to be added to the canal fund. This has also passed into the trust. The proceeds of these lands—together with what may be realized from the 800,000 acres—will probably complete the canal, from its present termination to the Ohio river, without the expenditure of a single additional dollar by the bond-holders. If the canal is completed *before* the lands are sold, and the increase in their value thus taken advantage of, it is quite as probable that the sum realized from all the lands will be considerably more than will be thus expended. I am confident, that, in no event, will there be a large expenditure over and above the proceeds of the lands. It is not, therefore, at all difficult to ascertain the precise condition of things between the State and her creditors.

At the time of the arrangement under this *bill of Mr. Butler*, her outstanding debt was, say \$11,500,000. Of this sum the State had actually received and expended but about \$8,500,000. Her actual losses were about as follows, to wit:—by the Morris Canal and Banking Company, about \$1,800,000;—by the Erie County Bank, about \$500,000; by the Georgia Lumber Company, about \$250,000;—by the Detroit and Pontiac Rail Road Company, about \$90,000, and by the Merchants' Exchange Bank of Buffalo, about \$180,000. These sums, in the aggregate, amount to \$2,820,000—but the actual sum, if the amounts were precisely ascertained, would not be likely to fall short of \$3,000,000. No body in Indiana, within my knowledge, ever thought of resisting the payment of any other part of the public debt than this. *Some* citizens of the State thought that the bonds covering this amount should not be paid, beyond what was realized by the securities which the State ultimately obtained. But, as already stated, even these were few in number.

A very large majority of the people—perhaps *seven* or *eight-tenths* of them—were in favor of paying the *whole debt*. And the whole is embraced in the arrangement complained of by your correspondent:—the *lost* bonds being included, as well as those for which full consideration was received.

I have stated that the State had expended upon the canal already transferred, the sum of \$4,250,000, and that the whole line would be completed, or nearly so, without any expenditure beyond the value of the lands. She recognizes her liability for half the entire debt, \$5,500,000—and has issued, or is ready to issue, new certificates of stock for the payment of it. She is now paying the interest upon these new certificates, and will, beyond any question, pay the principal as it becomes due. Add to this recognized and unpaid debt the amount expended on the canal before the transfer—\$4,250,000—and we have an aggregate of \$9,750,000. This is the sum which the State *will have paid*, exclusive of interest, when these new certificates are all discharged; and it amounts to about \$1,750,000 more than she has ever received, in actual cash or in available means, from the sale of all her bonds!

With what sort of propriety and justice, then, does your correspondent charge upon the State of Indiana that she has *repudiated* any part of her debt? He knows, or ought to know, that his charge has not the slightest foundation. I assert, without the fear of contradiction, by any body informed as to public sentiment in Indiana, that had not our bondholders *pressed* and *urged* upon the State, the arrangement now complained of, the State would, before this time, have resumed the payment of interest, and would ultimately have paid every dollar of her debt.—No body in Indiana, within my knowledge, ever thought of proposing to *compromise* the debt by paying less than the full amount,—other than as I have stated in regard to the \$3,000,000 of *lost* bonds. No body there, within my knowledge, ever thought of preferring creditors, in any other manner than as this preference connected itself with the proposition coming from the bond-holders themselves. No body there, within my knowledge, ever thought of conveying away the Wabash and Erie Canal, until Mr. Butler suggested *his* plan of paying the public debt.—No body there, within my knowledge, ever thought, before Mr. Butler's suggestion, of making the Canal answerable, in any way, for any part of the general internal improvement debt. All these things *originated with the bond-holders!* They matured the plan of settlement, and the first time it was heard of in Indiana was when presented by Mr. Butler as *their agent*. The bill which finally passed the Legislature was drawn by Mr. Butler, or under his immediate supervision, and my present impression is, that the section now complained of by your correspondent, as giving preference to bond-holders, was contained in the *original bill* as presented by him to the Legislature. However this may be—and my recollection is not sufficiently good to state it positively—it is certain that it was consented to by Mr. Butler,—that it was in the bill which first passed and which was laid before the bond-holders in England,—that the bond-holders did not ask it to be stricken out, and that all who have surrendered bonds—(*your correspondent among the rest*,)—were fully and always apprised of its existence and effect.

And yet this same correspondent, who has surrendered his bonds, taken his new certificates of stock, and holds an interest in the Wabash and Erie Canal by actual conveyance from the State, pretends that the State is *legally* and *morally* bound to pay, and that she should make immediate arrangements to pay, the entire amount of the surrendered bonds!—Any man of ordinary sagacity can see, if this were done, in what condition the State would be placed;—as any man can also see that it is both absurd and impudent to ask it.

I have said already that the Wabash and Erie Canal was taken in consideration of *half* the debt, or of \$5,500,000. The annual interest upon this sum is \$275,000, at five per cent. If the Canal yield annually \$500,000 from tolls and water rents, as estimated by the bond-holders and their agent, this entire interest will be paid, and a surplus of \$225,000 annually pass into the pockets of the bond-holders—part of which your correspondent will get, in proportion to the amount of his surrendered bonds. This \$225,000 will go towards the payment of the *principal* of the cancelled debt. If this amount shall not be increased by the general improvement of the country—and it may be reasonably anticipated that it *will be*—the annual product of \$225,000 will yield an aggregate sum, in *twenty-four years*, sufficient to discharge every dollar of these surrendered bonds. At this time, or at any other time, when the debt is paid, the canal will revert to the State, and again become her property.

The State has not only thus made provision for the payment of these surrendered bonds, but has issued new certificates of stock for the arrearages of interest on them, which was due on the 1st January, 1847, amounting to \$3,326,940. This amount has to be paid as the other new certificates, and will be paid in good faith, as part of the uncanceled debt. So that, it will be seen that no other part of the debt than the \$5,500,000 of surrendered bonds depends upon the Canal. When that amount is paid, as I have shown it may be, and the new certificates of stock are discharged, *the whole debt will be paid*. This statement of the matter shows the fact to be as it is known to be by those understanding the arrangement, that the Canal is to be looked to for nothing beyond the principal of the surrendered bonds; and that this principal will be, at *some time or other*, fully discharged. If the *twenty-four years*, as estimated by me, are not sufficient for this purpose, the Canal may be held still longer—even for an indefinite period. It does not revert to the State *until the debt is paid*. Can any body object that it shall do so, when this event occurs? Such objection might be expected from your correspondent, but, I apprehend, it will not be made by any body else.

Your correspondent says he has surrendered his bonds under *protest*, and calls upon all those who are similarly situated, to unite with him in demanding of the State the payment of the surrendered bonds. He threatens to continue his "*petition*" until his object is fully accomplished. To this I have nothing to say. So far as I am individually concerned, I leave it to him and the Legislature. He is right in supposing that he has the *Constitutional privilege* of petitioning that body. I have no idea that the Legislature will deny him this privilege. But if he will permit me to do so, I will advise him, that he employ in his contemplat-

ed memorial, more courteous and truthful language than is found in the article in your paper. The author of a charge, so false and unmerited as is that of *repudiation* against the State of Indiana, cannot expect to be very patiently heard by those whose credit he desires to impair, and whose reputation he is seeking to destroy by his malignant calumny and defamation.

I do not propose to argue with him the *constitutional* question he has raised. I cannot, however, refrain from remarking, that he will be likely to find a good deal of difficulty in persuading any body to believe that his acceptance of his *new* stock, with a perfect knowledge of the conditions of the law, together with the interest in the Canal which he now holds, does not amount to a full and entire *waiver* of any right he may have had under the old bonds. As I have learned the law, a contract is not impaired by a change of its terms, when *both parties consent to the change*:—it must be changed or otherwise affected *against the consent* of the injured party. If he shall succeed in establishing a principle different from this, he will show himself to be possessed of more skill as a lawyer, than he has so far shown of candor as a man; and will entitle himself to rank amongst those who, while they complain of the bad faith of others, are content to enjoy the wages of their own.

I could not, in justice to the people of Indiana, make this article shorter. I hope you will not consider it too long for publication.

Very respectfully, &c.,

R. W. THOMPSON.

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#### INDIANA PUBLIC DEBT.

From the New York Journal of Commerce, Aug 9, 1848.

#### To the Editors of the Journal of Commerce:

Gentlemen:—I observe in your paper of the 1st inst., a piece headed "PUBLIC DEBT OF INDIANA," signed "R. W. Thompson," who is, I believe, an Hon. member of Congress. I will not follow the bad example of the Hon. member of Congress, in calling hard names, which he applies very freely to the "Subscribers under protest to the \$800,000 loan." Ugly names never yet convinced a man that he was wrong.

It seems to me the honorable member is fortunate in *quoting from memory*; otherwise he could not have asserted that Indiana had repudiated no part of her debt. It may go by some other name in the West.

If the calculations herewith submitted, do not show that *she* does not pay one-half of her debt, I do not know the meaning of words and figures: If we take for granted that the Canal will *ever pay the moiety of the debt saddled upon it by the State*, (of which there is great doubt,) there will be still a clever loss of \$818 and upwards, on every *five* bonds of £225 sterling each, up to 1853. And after 1853 a clever loss of 2½ per cent. per annum on \$900, from 1853 to the period the debt is paid. The loss, taking it altogether, is full twenty per cent. on the original



bonds. Nor is this the worst feature in the transaction. The Legislature in passing the "Act to provide for the funded debt of the State of Indiana, and for the completion, &c., of the Canal," uses, as it were in mockery, the following terms:—"And whereas there is reason to believe that the plan embraced in the following provisions is *entirely* within the means of the State successfully to accomplish,—that it will be *acceptable to our* creditors,—honorable to the people represented by the general assembly," &c.

It is also declared by the Legislature of said State, that in no wise shall those holding the bonds of the State, and who refuse to surrender them and come in under the provisions of the Act of the Assembly, ever receive either principal or interest on any of the internal improvement bonds.

I understand it has also been recommended by the agent of the State in New York, that money be furnished to him by the State to enable him to buy up the bonds at the market price. I do not vouch for this rumor.

With this statement, I leave it with the public to draw their own conclusions. Far better for the State of Indiana to return to the original debt, and comply literally with her pledged faith and honor.

A BOND-HOLDER.

August 5, 1848.

*Statement of five Indiana Bonds, of the kind made payable in London:*

|                                                                                                                                      |                      |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Five Bonds, of £225 sterling each, is                                                                                                | £1,125,00 0          |
| Interest from 1st Jan., 1841, to 1st Jan., 1853, at 5 per cent.,                                                                     | 718,15 0 £1,843,15 0 |
| Add 8 per cent. exchange on this sum                                                                                                 | 139,10 0             |
| <b>\$8,818,44</b> or,                                                                                                                | <b>£1,983,05 0</b>   |
| For which the State of Indiana gives in exchange her own bonds, bearing 4 per cent. interest from 1st Jan., 1847, to 1st Jan., 1853, | \$2,500 00           |
| Interest on this sum from 1st Jan., 1847, to 1st Jan. 1853, at 4 per cent.,                                                          | 600 00               |
| Also her bonds paying no interest until after the 1st Jan., 1853; and then only 2½ per cent.,                                        | 900 00               |
| Also bonds payable only from the Canal, if the revenues of it ever pay,                                                              | 2,500 00             |
| Interest thereon, if ever paid by said revenues, from 1st Jan., '47, to 1st Jan., '53, at 5 per cent.,                               | 750 00               |
| Also the bonds, payable from the Canal revenues only, bearing an interest of 5 per cent. from 1st Jan., 1853,                        | 750 00               |
|                                                                                                                                      | <b>\$8,000 00</b>    |

Actual loss up to 1853, \$818,44

on each five bonds; to which must be added the loss of 2½ per cent. per annum on \$900, from 1853 to the period of redemption, and also the loss of the exchange on the interest of sterling bonds from 1853 to the period of redemption in 1870

## LEGAL MISCELLANY.

## DECISIONS OF THE SUPREME COURT OF PENNSYLVANIA.

*Banks.*

CASE lies by the assignee of bank stock, for a refusal by the bank to permit the shares to be transferred to him on the books of the bank. *Presbyterian Congregation v. Carlisle Bank*, 5 Barr's Supreme Court Reports, 345.

W. being the owner of forty shares of bank stock, bequeathed them to his four sons. During the minority of one of the legatees, the bank with notice of the will, permitted the transfer of thirty shares of the stock, by the consent of all the legatees, to a stranger. Under the act of 1824, the bank cannot refuse to permit a transfer of the ten remaining shares, on the ground that a debt is due by two of the sons, who were full age when a transfer of the thirty shares was permitted.—*Ibid.*

*Bills of Exchange and Promissory Notes.*

Drawer, after payment and delivery up, competent to show failure of consideration in action by his principal to recover back money paid thereon. *Gilpin v. Howell*, 5 Barr, p. 41.

An endorsement of a promissory note procured by a principal, and given to his surety in a former transaction, on demand made for a change of his liability, entitles such surety to sue the endorser. *Mercer v. Lancaster*, *Ibid* 160.

Evidence of the demand for such change in the liability of the surety which led to the execution and delivery of the new note, is proper as part of the *res gestæ*, to show the consideration of the note. *Ibid.*

Notice of dishonor addressed to an endorser at the post office at which he habitually receives communications by mail, is sufficient, though such office be not the nearest to his place of abode. *Ibid.*

The question of due diligence in seeking to give due notice of the dishonor of a note is for the court, the facts being undisputed. *Haly v. Brown*, *Ibid*, 178.

A notice deposited in the Philadelphia post office addressed to an endorser generally, is insufficient when he resides in Roxborough, and the nearest post office, at which he is accustomed to receive letters, is at Manayunk. *Ibid.*

To excuse a want of notice by reason of ignorance of an endorser's residence, such ignorance, and due diligence to discover it, must be shown on the part of the owner of the note deposited for collection, as well as of the notary and bank. *Ibid.*

Sending a notice for an endorser to his subsequent endorsee, is equivalent to an inquiry of the endorsee by the notary for the residence of the endorser, and it is the duty of the endorsee to use due vigilance in forwarding the notice to his endorser. *Ibid.*

## DECISIONS IN ALABAMA.

*Endorsement.*

It is not necessary to fill up a blank endorsement by inserting the plaintiff's name, although the declaration describes him as an endorsee. *Lawyer's Adm'r. v. Patterson*. Smede's Alabama Supreme Court Reports, Vol. XI. p. 523.

Where a note loses its assignable quality by a judgment having been recovered thereon against one of the makers, in the name of the assignee, the insertion of the name of another person in the endorsement of the payee which was previously blank, is a nugatory act, and the name thus inserted may be stricken out at the trial of a suit brought by the assignee against another maker. *Ibid* 523.

The act of 1837, which inhibits the assignment of a promissory note by delivery merely, so as to permit the assignee to maintain an action thereon as the bearer, cannot be extended by construction to *blank endorsements*, or as to an endorsement which directs the contents to be paid to the bearer, without indicating him by name. *Ibid* 524.

In order to pass the *legal* interest in a promissory note to a third person, and to invest him with a right of action in his own name, the transfer must be made by indorsement; and the indorsement of a receipt given by an attorney at law for a note placed in his hands for collection, will not pass to the assignee the legal title to the note, although the attorney, by an indorsement on the receipt, promised to pay to him the proceeds when collected: and such an assignment does not impose upon the assignee the necessity of pursuing the same steps as are necessary to charge an indorser. *Gookin v. Richardson*, *Ibid* 889.

*Interest.*

When a promissory note is dated at "Macon," and "payable at either of the banks in Macon," it cannot in the absence of an allegation or proof, be intended that "Macon" is in another State, so as to devolve upon the plaintiff the necessity of proving the rate of interest abroad; especially as there is a county, and perhaps several villages, called "Macon" in Alabama, though there is no *incorporated* bank in either. *Smith v. Robinson*, *Ibid* 270.

An administrator is chargeable with interest, from the time money of the estate comes to his hands, unless he makes oath that he has not used the funds, and if he does, it may be controverted, and an issue made to try the fact. *Parker and Wife v. McGaha, Adm'r*. *Ibid* 521.

*Notice.*

In a summary proceeding by the bank against its debtor, the notice alleged that the drawer and indorser were indebted to the plaintiff by a bill of exchange, purchased under the first section of the act of 1843, and informed them that a motion would be made against them for the amount of money due and unpaid on the bill, together with the interest and damages at the rate of *thirty per cent.* which shall have lawfully accrued thereon. The damages prescribed by the statute on one description of bill to which it referred was *thirty*, and another five per cent. *Held*, that

as the plaintiff upon proof of default and notice might recover at least five per cent. damages, the notice was not bad on demurrer. *Riggs et al. v. The Bank of the State.* Ibid 183.

The notice which the law requires to be given in summary proceedings, is sufficient, if it describes the debt upon which the motion is to be made with reasonable certainty. *Colgin v. The State Bank.* Ibid 222.

When land is conveyed by a deed which is not registered, but the purchaser enters and holds under the deed for several years, after which a stranger enters on the possession, and holds without any connection with the title, these facts are sufficient notice to prevent a lien from attaching to the land by a judgment obtained against the vender of the land six years after his sale and conveyance, and a purchaser under the judgment obtains no title, being charged with notice by the outstanding possession, existing at the time of his purchase. *Powell v. Allred.* Ibid 318.

### Usury.

A contract by which the use of slaves is allowed as a compensation for the interest of money, is not on its face usurious, but will be so, if intended as a shift, or device, to obtain unlawful interest. *Wright v. McAlexander,* Ibid 236.

Such a contract cannot afterwards be converted into a mortgage by the borrower, so as to require the lender to account for the hire of the slaves, if that exceeds the legal rate of interest. Ibid 236.

### Bank Directors.

In a proceeding by notice and motion, at the suit of a bank against its debtor, if no issue is made up, and a verdict returned for the plaintiff, it is not necessary that the judgment should affirm, with particularity, the proof of every fact which was necessary to have authorized their verdict; it is enough if it distinctly sets forth the facts, which are essential to the exercise of the summary jurisdiction. *Riggs et al. v. The Bank of the State,* 183.

Directors of a bank are not responsible for any injury to the bank, caused by their act, originating in an error of judgment, unless the act be so grossly wrong as to warrant the imputation of fraud, or the want of the necessary knowledge for the performance of the duty assumed by them, on accepting the agency. *Godbold v. The Branch Bank of Mobile,* 191.

The giving compensation to a member of the board of directors for extra services as an agent of the bank, though unlawful, is not such an act as will expose the directory to liability, if done in good faith, and with the honest intent of benefiting the bank. Ibid 191.

An endorsement on the note, of the sum for which it was discounted, is an admission on the part of the bank, of the sum lent upon the note, of which the defendant may avail himself, as otherwise the inference would be, that the bank was entitled to recover the entire amount. *Colgin v. The State Bank,* 222.

The right conferred on the bank, of suing out an attachment in the county of its location is a privilege conferred on it, and does not abridge the power it previously possessed, of suing out attachments in the county of the residence of the defendant. *Pearson et al. v. Gayle,* 278.

Since the act of December, 1841, a note payable to the *cashier* of a bank may be sued on in the name of the corporation. *Caldwell v. Branch Bank at Mobile*, 549.

### *Bills of Exchange and Promissory Notes.*

A bill of exchange payable twelve months after date, when the nominal day of payment falls on Sunday, is notwithstanding allowed three days of grace, and is properly protestable on the Wednesday following. *Wooley v. Clements*, Ibid 220.

Where a note is given on consideration moving entirely from a third person to one assuming to act for him, any defence of the maker against the party in interest is admissible, where no interest in the note is disclosed by the person to whom it is made. *M'Clure v. Litchfield*, 337.

When a note is given to one assuming to act for another, for a debt already owing, and the agreement is that it shall remain with a third person until the concurrence of the creditor is obtained, an attachment afterwards levied, upon such concurrence, will authorize the maker to resist the payment, on showing satisfaction of the judgment on the garnishee process. *Ibid* 337.

An innocent holder, for value, of an acceptance, improperly made by a member of a firm, by his endorsement of the bill, transfers all his rights to his endorsee, who will not therefore be required to show when he acquired the bill, or that he gave value for it. *Pearson v. Howe*, 370.

A gratuitous agreement by the holder of a bill with the acceptor, made on the last day of grace, to look to him alone for the payment, and not to present the bill, or notify the drawer, does not relieve the drawer if the protest is made and notice given. *De Witt v. Bigelow & Co.*, 480.

A bill drawn, within, and payable within this State, nine months after sight, is payable nine months after it is presented for sight, and is entitled to days of grace. *Brown v. Turner*, 752.

Notice of the dishonor of a bill, payable on the 12th November, in Mobile, given on the 27th of the month to the drawer, in Washington County, is insufficient to charge him, unless some satisfactory excuse is made for such long delay. *Ibid*, 752.

Where suspicion is cast upon a mercantile security, the holder must prove that he gave a valuable consideration for it, and acquired it before it was dishonored. *Boyd & Macon v. McIvor*, 822.

H. being indebted to D. & Co., procured S., who was indebted to him, to draw a bill in his favor, on D. & Co., which he endorsed to them, and which they received in payment of the debt of H.—*Held*, that S. was not entitled to notice of the dishonor of the bill, (no funds being provided for its payment.) *Stewart v. Desha, Sheppard & Co.* Ibid 844.

### DECISIONS IN SUPREME COURT OF GEORGIA.

#### *Bills of Exchange.*

The act of 1823 giving five per cent. damages upon certain protested bills of exchange, applies to endorsed notes. See title, "*Damages*."—*Howard v. Central Bank*, 378. *Kelly's Reports*, Vol. III.

*Endorser.*

When indorser cannot object to the regularity of the contract upon which his indorsement is made, nor be protected by its want of conformity to the statute, &c. See title, "*Contract*."—*McDougald v. The Central Bank*. Ibid 191.

The 26th section of the Central Bank charter, dispensing with proof of demand and notice in order to charge indorsers, applies to suits upon notes payable elsewhere, as well as to those payable at that bank.—Ibid 191.

If the indorser of any note or bill which is negotiated to the bank, is discharged for want of demand or notice, it is his duty to plead it by way of defence.—Ibid 192.

Where indorsers of a promissory note resided in the county of Richmond, the one seven and a half and the other twelve miles from the city of Augusta, and were in the habit of receiving their letters and papers at the Augusta post office, at least once a week, *held*, that notices of the dishonor of a note, deposited in the Augusta post office, addressed to them, was sufficient to make them liable, although there was a post office at the Richmond Factory, nearer to them than the office at Augusta. *Walker and others v. the Bank of Augusta*. Ibid 495.

When holder of note compelled to sue *dormant* partner of makers, by notice from indorser to sue. Ibid 527.

Holder has the whole three months within which to sue. Ibid 529.

*Notaries Public.*

Their certificates *prima facie* evidence of the *non-payment* of a note, and of the notice also, when so stated therein. *Walker and others v. The Bank of Augusta*. Ibid 492.

What statement in Notary's certificate sufficient to make out plaintiff's case. Ibid 494.

## DECISIONS IN NEW YORK COURT OF CHANCERY.

*Banking Associations.*

The act to authorize the business of banking, passed in 1838, enabled any number of persons to associate and establish banks of discount, deposit and circulation, on the terms therein prescribed. The capital was not to be less than \$100,000. The associates were to seal and file a certificate, specifying among other things, the amount of the capital stock, and the number of shares into which it was divided, and the names, residence, and number of shares held by the associates respectively. The shareholders, unless by express stipulation in their articles, were not to be individually liable for the debts of the association.—*Sanford's Chancery Reports*, Vol. I., 669.

A banking company was organized under this law, by articles of association, which declared that the capital stock should be a million of dollars, divided into ten thousand shares of \$100 each, but business



might be commenced as soon as \$100,000 were subscribed for and paid. If any shareholder should omit to pay any instalment on his shares, pursuant to any call of the directors, the articles provided that his shares should be forfeited to the use of the association, together with all previous payments made thereon. And the shareholders were not to be personally liable for the debts of the association. The original association, of whom D. was one, signed four thousand, eight hundred and thirty-five shares, on which over \$100,000 was paid in, and the bank commenced business. All the associates signed a paper attached to the certificate or articles of association, by which they subscribed for and agreed to take the number of shares set opposite their respective names, as shareholders in the bank, and mutually bound themselves to fulfil all the engagements contained in the articles. D. subscribed for twenty-five shares.

*Held* 1. That he was liable to pay the whole amount of stock which he subscribed.

2. That the authority to forfeit the stock for the non-payment of called instalments, was a cumulative remedy, and did not affect the direct liability by force of the subscription.—*Sagory v. Dubois*. Ibid 466.

The statute and his subscription imposed upon him the duty of paying for his stock, which is recognized by the language of the articles of association, and from which the law implies an undertaking to make such payment. Ibid.

The general banking law intended to provide for the payment (or securing to be paid) of an actual, substantial capital, to the extent defined in the articles of association, as the foundation of the operations of the banks thereby authorized. Ibid.

This was the declared policy of the act, and it was imperatively demanded for the public security, in respect of the important privileges and franchises conferred on those associations. Ibid.

#### *Promissory Notes.*

1. A bank holding a promissory note made by L. and endorsed by P. for his accommodation, when the note fell due, to enable L. to pay it, discounted for him his own note; to secure which L. delivered to the bank another promissory note, made by himself and endorsed by P., dated about a year prior to that time, and payable two years after date. When this delivery took place P. was dead, and the officers of the bank were aware of the fact. The original note was not protested, and was cancelled under this arrangement. *Held*, that neither P. nor his executors were ever liable upon the note thus negotiated after his death; and that it was not a charge upon real estate, which P., after its date, devised subject to the payment of all notes which he had endorsed for L.—*Smith's Executors v. Wyckoff*, 77. Sanford's Chancery Reports, Vol. 1.

2. A note endorsed for the accommodation of the maker has no vitality or existence as a contract, while it remains in his possession.—Ibid.

3. An endorsement on a blank sheet, intended for a note, authorises the person to whom it is delivered, to write upon the sheet such note as he thinks proper.—Ibid.

4. All accommodation indorsements delivered to the principal debtors,

clothe the latter with an *authority* to bind the indorsers in favor of persons who receive the securities in good faith on the credit of the indorsements.—*Ibid.*

5. Such authority is a mere naked *power* revocable by the constituent. *Ibid.*

6. All such powers are annulled by the death of the constituent. The death of an accommodation endorser of a promissory note, before it is negotiated by the maker, annuls the latter's authority to issue the note as one binding upon the indorser.—*Ibid.*

7. Where a party to an usurious bill or note, gives a new security for it to a holder for value, without notice of the usury, the new security is valid, although the holder could not have recovered on the bill or note. *Smedberg v. Whittlesey.* *Ibid.* 300.

8. The possession of a bill or note by an indorsee, is presumptive evidence that it was transferred to him on a good consideration before its maturity.—*Ibid.*

9. The giving of a new note without objection, by the debtor on an usurious note held by an indorsee, is of itself an admission that the indorsee is a *bona fide* holder of the old note, without notice of the usury. *Ibid.*

10. In a suit upon a new note so given, the holder may rely upon such admission in connection with his possession of the old note, to overcome the defence of usury in the matter, and the burden of proof will be cast upon the defendant, to prove that the holder had notice of the usury, or received the usurious note without a sufficient consideration.—*Ibid.*

### Usury.

1. When a person in want of money applies to a capitalist for his note payable at a future day, offering as security his own obligation, with an indorser or a mortgage; and the respective obligations are executed accordingly, the transaction is a loan.—*The N. York Dry Dock Co. v. The American Life Insurance and Trust Co.* *Ibid.* 215.

2. When two persons, who are both desirous to raise money, exchange their own notes to be used for that purpose with third persons, it constitutes an exchange of securities merely. The effect is the same as if each had used his own note, with the other's endorsement.—*Ibid.*

3. A banking company in New York, which had stopped payment, being desirous of borrowing a large sum of money, applied to a Trust Company, usually lending money in New York, for a loan of their certificates of deposit payable at short dates, and offered to secure the payment of the amount, by their own obligations and a mortgage on real estate of sufficient value. The Trust Company agreed to issue their certificates bearing five per cent. interest, payable in London within two years, for £48,000 sterling, on receiving the bank's promissory notes for £50,000 sterling, payable in London at the rate of \$5 for each £1 sterling, with six per cent. interest, within seven years, secured by a conveyance of the real estate to trustees, containing a provision that the bank should pay to the Trust Company in New York the respective instal-



ments of the £50,000, with interest at seven per cent., forty days before each instalment should mature in London, at the rate of \$5 for every £1 sterling. It was understood by the parties that the Trust Company would negotiate the bank's obligations in London, with their own guaranty, in order to meet their certificates of deposit. The arrangement was consummated between the parties.

*Held* 1. That the transaction was a loan by the Trust Company to the bank, and not an exchange of paper, or a sale.

2. That the reservation of £2000, or four per cent., on the principal sum secured to be paid, rendered the contract usurious.—*Ibid*.

4. The notes of the bank were negotiated in London to bankers there. *Held*, nevertheless, that the contract was governed by the laws of New York.—*Ibid*.

5. Whenever a commission, in addition to legal interest, is charged by the lender on discounting a bill or note, or on making advances thereon, unless it be for some real service distinct from the loan itself, and then be a moderate and reasonable charge, it will be referred to the use of the money loaned, and render the contract usurious. *Ibid*.

6. On applying for a loan, the borrower offered to the lender's agent a collateral advantage, which was likely to be prejudicial to the former, and was certain to be beneficial to the latter. The offer was accepted and the loan was made.

*Held*, that the offer constituted one of the terms and conditions of the loan.—*Ibid*.

7. Where one having a large mortgage on a farm, payable at a distant period, with six per cent. interest, at the request of the mortgagor, who had laid out the farm in town lots for sale, cancelled such mortgage, and received in lieu of it, thirteen separate mortgages for the same aggregate amount, on thirteen distinct portions of the whole farm, payable when the original mortgage was to be paid, with interest at seven per cent., and at the same time received from the mortgagor five hundred dollars for granting the accommodation, it was *held* that the transaction was not usurious.—*Neefus vs. Vanderveer*, 268.

The advantages proposed to himself by the mortgagor, and the probable inconvenience and hazard to the mortgagee in the exchange of the securities, constituted the consideration for the payment; and there was no loan or forbearance in the case.—*Ibid*.

Where a party to an usurious bill or note, gives a new security for it to a holder for value, without notice of the usury, the new security is valid, although the holder could not have recovered on the bill or note. *Smedberg v. Whittlesey*, 321.

The possession of a bill or note by an endorser is presumptive evidence that it was transferred to him on a good consideration before its maturity.—*Ibid*.

The giving of a new note without objection, by the debtor on an usurious note held by an indorser, is of itself an admission that the indorsee is a *bona fide* holder of the old note, without notice of the usury.—*Ibid*.

In a suit upon a new note so given, the holder may rely upon such admission in connection with his possession of the old note, to over-

come the defense of usury in the latter. And the burden of proof will be cast upon the defendant to prove that the holder had notice of the usury, or received the usurious note without a sufficient consideration.—*Ibid.*

A resident of Savannah being in New York, with funds which he had just remitted from Savannah, at an expense of 9 per cent. for exchange, loaned the same in New York, stipulating for seven and one-half per cent. of the exchange so paid by him, besides legal interest. *Held*, that the transaction was usurious, and that a succession of notes given in renewal, were also void for usury; and the last in the series were ordered to be delivered up and cancelled.—*Jacks v. Nichols*, 313.

A prior remittance of the money loaned from another state or country, not expressly for the purpose of the loan, furnishes no valid pretext to charge the borrower with the charges of such remittance, in addition to interest.—*Ibid.*

There is an intent to take unlawful interest, within the meaning of the statute, when more than seven per cent. is reserved, although the lender took the surplus under a mistaken idea that he had a right to charge the borrower for expenses or trouble.—*Ibid.*

The taking of a separate security for the interest and the excess, does not aid an usurious loan; nor is it material that no part of the unlawful interest was ever paid.—*Ibid.*

Where the last renewal of a series of usurious notes originating here, was made by the parties, residing in this state, signing the new notes and securities here, (the former being payable here,) the contract is to be deemed as made here, and governed by our laws, although the new notes were delivered to the lender in another state, where he was temporarily residing.—*Ibid.*

*Semb* the same law would govern, if the new notes had been made and delivered at the lender's residence abroad; there being no new loan, but simply a continuation of the original loan for a longer period.—*Ibid.*

Where a debtor, owing a mortgaged debt, payable in small annual instalments at a future period, on the application of his creditor, advanced to the latter fourteen hundred dollars, on an agreement that he would apply and indorse two thousand one hundred dollars as a payment on the mortgage, and the creditor receipted that sum on such payment:

*Held* 1. That there was no loan or any forbearance, directly or indirectly, by the debtor to the creditor, and that the agreement was not usurious.

2. That the agreement was supported by a valid and sufficient consideration, and was not unconscionable.—*Righter v. Stall*, 608.

Where a defence of usury is interposed to the foreclosure of a mortgage, by the purchaser of the equity of redemption, the complainant cannot overcome it by proof that the lands were conveyed subject to the mortgage, unless his bill sets forth the execution and terms of such conveyance.—*Hetfield v. Newton*, 564.

Application for a loan was made by parties in western New York, to D. in New Jersey, they expecting D. to obtain the same from H., or some other person there. They offered to give D. \$300 for doing the business and delivering them the money. D. obtained the loan of his

father-in-law, H., took the money to the parties in western New York, received their mortgage to H. for the loan, payable with interest, and took a mortgage to himself for the \$300.

*Held* 1. That D. was the agent of the borrowers, and not of the lender in negotiating the loan.

2. That after the loan was agreed upon, he was the agent of both, in perfecting it and taking the mortgage therefor.

3. That the lender was not affected by the agreement of the borrowers to compensate D., and that the mortgage to the lender was not usurious.—*Ibid*.

In the defence of usury, the proof must strictly sustain the allegation made in pleading. So where in an answer, the usurious agreement was stated to be, that H. was to advance the borrowers \$2000, and D. was to give them his notes, one for \$150, and one for \$450, making the \$2600, for which the security was given; and the proof showed an agreement by which H. was to advance \$2052 in cash, and \$548 in the notes of D., one for \$414, and the other for \$148; it was held a fatal variance. *Ibid*.

Where a party setting up the defence of usury, alleged that certain bonds or evidences of debt, were advanced by the lender, and the proof showed that he advanced cash, the variance was held fatal.—*The Farmers' Loan & Trust Co. v. Perry*, 339.

Acceptance in advance of a premium at an usurious rate, for the future forbearance of a pre-existing debt already payable, or the agreement to forbear such debt at such rate, prevents the recovery of interest on the principal, originally untainted, beyond the day upon which the usury commenced, or was stipulated to commence.—*Harp v. Chandler & Neel*, 1 Strobhart's Reports, p. 461.

The forbearance of a pre-existing is a new loan, and upon this principle only, can excessive interest upon such forbearance be regarded as usury.—*Ibid*.

Whenever by acceptance of usurious interest, or an agreement for it once actually operating, a corrupt contract has been established concerning the debt contained in a security, originally untainted, the amount (both principal and interest,) really due on the day when that contract commences to operate, must be taken to be the principal sum, from which all subsequent payments must be deducted, to ascertain the balance which shall be recovered without interest and without costs.—*Ibid*.

Any corrupt agreement contemporaneous with the making of a security, will taint the security itself.—*Ibid*.

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#### NEW LAW BOOK.

A Treatise on the Law of Bills of Exchange, Promissory Notes, Bank Notes, Bankers' Cash Notes, and Checks. By John Barnard Byles, Serjeant-at-Law Second American edition, from the fifth London edition, with references to American cases. Published by T. & J. W. Johnson, Philadelphia, 1848.

This is the latest work upon the subjects enumerated, and is well worth the attention of bank officers and others engaged in the purchase of negotiable paper.

## BANK STATISTICS.

## BANK OF KENTUCKY AND SEVEN BRANCHES.

| <i>Liabilities.</i>                                                   | Jan. 1846          | Jan. 1848.         | July, 1848.        |
|-----------------------------------------------------------------------|--------------------|--------------------|--------------------|
| Capital Stock, original,                                              | \$3,700,000        | \$3,700,000        | \$3,700,000        |
| Over issue by Schuylkill Bank, less<br>purchased by Bank of Kentucky, | 470,300            | 52,100             | 40,500             |
| Contingent fund reserved by Charter,                                  | 100,000            | 100,000            | 100,000            |
| Fund to cover losses,                                                 | 89,262             | 89,785             | 96,315             |
| Dividends unclaimed,                                                  | 7,818              | 6,527              | 6,560              |
| Fund to purchase over issues,                                         | 55,137             |                    |                    |
| Dividend declared,                                                    | 105,256            | 93,802             | 93,512             |
| Individual Deposits,                                                  | 733,166            | 665,437            | 676,107            |
| Bank Balances,                                                        | 392,814            | 344,144            | 347,276            |
| Circulation,                                                          | 2,586,672          | 2,781,706          | 2,395,492          |
| Due Treasurer of State,                                               | 53,181             | 95,991             | 54,951             |
| Profit and Loss Account,                                              | 50,218             |                    |                    |
| <b>Total liabilities,</b>                                             | <b>\$8,343,824</b> | <b>\$7,929,493</b> | <b>\$7,510,511</b> |

| <i>Resources.</i>                 | Jan. 1846.         | Jan. 1848.         | July, 1848.        |
|-----------------------------------|--------------------|--------------------|--------------------|
| Notes Discounted,                 | \$3,093,840        | \$2,642,215        | \$2,511,305        |
| Bills of Exchange,                | 1,850,222          | 2,132,721          | 1,639,500          |
| Suspended Debt,                   | 167,429            | 95,801             | 85,220             |
| Real Estate for banking purposes, | 87,534             | 87,534             | 94,534             |
| Do. for debt,                     | 164,671            | 123,505            | 109,532            |
| Kentucky five per cent. bonds,    | 250,000            | 250,000            | 250,000            |
| City of Louisville bonds,         | 200,000            | 200,000            | 200,000            |
| Bank Balances, &c.,               | 465,130            | 582,125            | 768,693            |
| Deficiency for over issue,        | 470,300            | 52,100             | 40,500             |
| Gold and Silver,                  | 1,275,308          | 1,371,398          | 1,380,530          |
| Notes of other Banks,             | 319,388            | 345,372            | 395,646            |
| ock Fund Account,                 |                    | 46,722             |                    |
| <b>Total resources,</b>           | <b>\$8,343,824</b> | <b>\$7,929,493</b> | <b>\$7,510,511</b> |

## NORTHERN BANK OF KENTUCKY AND FOUR BRANCHES.

| <i>Liabilities.</i>       | Jan. 1846.         | Jan. 1848.         | July, 1848.        |
|---------------------------|--------------------|--------------------|--------------------|
| Capital Stock,            | \$2,237,600        | \$2,238,900        | \$2,238,900        |
| Profit and Loss,          | 267,058            | 334,542            | 356,030            |
| Unclaimed Dividends,      | 6,491              | 6,388              | 8,950              |
| Deferred Interest,        | 7,754              | 8,840              | 8,516              |
| Circulation,              | 2,453,532          | 2,576,780          | 1,978,243          |
| Bank Balances,            | 669,327            | 927,153            | 568,185            |
| Bills Payable,            | 18,450             |                    |                    |
| Current Deposits,         | 674,503            | 742,806            | 672,926            |
| <b>Total liabilities,</b> | <b>\$6,334,715</b> | <b>\$6,735,409</b> | <b>\$5,431,750</b> |

*Bank Statistics.*

| <i>Resources,</i>         | Jan. 1846.         | Jan. 1848.         | July, 1848t        |
|---------------------------|--------------------|--------------------|--------------------|
| Bills Discounted,         | \$1,849,698        | \$1,785,302        | \$1,519,564        |
| Bills of Exchange,        | 2,007,287          | 2,156,410          | 1,924,796          |
| Suspended Debt,           | 123,311            | 137,010            | 129,007            |
| Bonds,                    | 40,000             | 33,000             | 33,000             |
| Bank Balances,            | 928,281            | 1,111,784          | 856,686            |
| Due by State of Kentucky, | 8,750              | 8,750              |                    |
| Real Estate,              | 179,865            | 123,980            | 119,957            |
| Gold and Silver,          | 909,704            | 1,038,413          | 937,665            |
| Notes of Banks,           | 287,819            | 340,760            | 311,075            |
| <b>Total resources,</b>   | <b>\$6,334,715</b> | <b>\$6,735,409</b> | <b>\$5,831,750</b> |

Contingent Fund and Profit and Loss July 3, 1848, \$356,030  
 Deduct dividend  $4\frac{1}{2}$  per cent. and exchange to Kentucky, Stockholders to  
     equalize them with Eastern Stockholders, 101,289  
 Leaving a balance of surplus profits \$254,741, July, 1848, equivalent to 11 per cent. on  
 the capital.

## BANK OF LOUISVILLE AND TWO BRANCHES.

1846 and 1848.

| <i>Liabilities.</i>       | Jan. 1846.         | Jan. 1848.         | July, 1848.        |
|---------------------------|--------------------|--------------------|--------------------|
| Capital,                  | \$1,082,100        | \$1,080,000        | \$1,080,000        |
| Profit and Loss,          | 77,231             | 158,166            | 168,904            |
| Bank Balances,            | 109,517            | 132,938            | 142,501            |
| Dividends unclaimed,      | 34,401             | 3,568              | 3,616              |
| Circulation,              | 1,024,227          | 1,126,328          | 883,150            |
| Deposits,                 | 213,782            | 230,898            | 238,763            |
| <b>Total liabilities,</b> | <b>\$2,541,258</b> | <b>\$2,731,898</b> | <b>\$2,516,934</b> |

| <i>Resources.</i>         | Jan. 1846.         | Jan. 1848.         | July, 1848         |
|---------------------------|--------------------|--------------------|--------------------|
| Notes Discounted,         | \$866,433          | \$648,060          | \$436,696          |
| Bills of Exchange,        | 811,570            | 1,136,262          | 1,033,091          |
| Suspended Debt and Costs, | 91,408             | 47,962             | 59,800             |
| Louisville City Bonds,    | 80,000             | 75,000             | 75,000             |
| Bank Balances,            | 146,772            | 154,410            | 220,310            |
| Real Estate,              | 111,492            | 89,271             | 89,171             |
| Bank Notes,               | 82,489             | 70,592             | 124,880            |
| Gold and Silver,          | 351,094            | 510,341            | 477,992            |
| <b>Total Resources,</b>   | <b>\$2,541,258</b> | <b>\$2,731,898</b> | <b>\$2,516,934</b> |

Not having received an official copy of the statement for July, 1848, we are compelled  
 to rely upon a newspaper copy.

## KENTUCKY BANKS, JULY, 1848.

*Recapitulation.*

| <i>July, 1848.</i>         | <i>Circulation.</i> | <i>Specie.</i> | <i>Loans.</i> |
|----------------------------|---------------------|----------------|---------------|
| Bank of Kentucky.          | \$2,395,000         | \$1,380,000    | \$4,150,000   |
| Northern Bank of Kentucky, | 1,978,000           | 937,000        | 3,444,000     |
| Bank of Louisville,        | 883,000             | 478,000        | 1,470,000     |
| Total July, 1848,          | \$5,256,000         | \$2,795,000    | \$9,064,000   |
| “ January, 1848,           | 6,483,000           | 2,920,000      | 10,500,000    |
| “ “ 1847,                  | 5,711,000           | 2,617,000      | 9,940,000     |
| “ “ 1846,                  | 6,064,000           | 2,535,000      | 10,477,000    |

## BANKS OF THE STATE OF NEW YORK.

## 1845, 1847, 1848.

| <i>Liabilities.</i>         | Nov. 1, 1845. | Aug. 1, 1847. | Nov. 1, 1847. | June 24, 1848. |
|-----------------------------|---------------|---------------|---------------|----------------|
| Capital,                    | \$42,845,000  | \$43,214,000  | \$43,279,891  | \$43,155,089   |
| Undivided profits,          | 5,018,000     | 5,846,000     | 6,043,532     | 6,474,198      |
| Circulation, old,           | 881,000       | 735,000       | 716,620       | 850,908        |
| Circulation, registered,    | 20,494,000    | 24,364,000    | 25,520,636    | 19,967,917     |
| Due Treasurer of the State, | 631,000       | 793,000       | 1,009,945     | 1,094,809      |
| Due Canal Fund,             | 1,531,000     | 1,290,000     | 1,603,119     | 1,211,190      |
| Individual Deposits,        | 31,774,000    | 36,781,000    | 35,096,818    | 26,949,317     |
| Special Deposits,           | 760,000       | 932,000       | 966,840       | 701,274        |
| Bank Balances,              | 12,830,000    | 24,103,000    | 17,034,010    | 13,826,878     |
| Due Treasurer U. S.,        | 3,003,000     |               |               |                |
| Miscellaneous,              | 585,000       | 710,000       | 977,865       | 862,416        |
| Total liabilities,          | \$120,402,000 | \$138,768,000 | \$132,249,276 | \$114,993,996  |
| <i>Resources,</i>           | Nov. 1, 1845. | Aug. 1, 1847. | Nov. 1, 1847. | June 24, 1848. |
| Loans and Discounts,        | \$69,165,000  | \$73,743,000  | \$74,138,431  | \$64,146,855   |
| Loans to Directors,         | 4,158,000     | 4,810,000     | 4,574,856     | 5,879,192      |
| Loans to Brokers,           | 1,458,000     | 2,187,000     | 1,545,242     | 2,292,939      |
| Bonds and Mortgages,        | 3,182,000     | 2,730,000     | 2,712,840     | 3,100,051      |
| Stocks, &c.,                | 10,963,000    | 12,414,000    | 13,474,548    | 11,994,008     |
| Due from Directors,         | 33,000        | 19,000        | 4,675         |                |
| Due from Brokers,           | 363,000       | 526,000       | 624,658       |                |
| Total loans,                | \$83,322,000  | \$96,429,000  | \$97,075,250  | \$87,413,045   |
| Real Estate,                | 3,645,000     | 3,489,000     | 3,464,618     | 3,458,143      |
| Bank fund,                  | 2,36,000      | 148,000       | 140,392       | 41,987         |
| Loss and expense account,   | 426,000       | 275,000       | 491,519       | 501,918        |
| Over drafts,                | 133,000       | 112,000       | 117,090       | 218,832        |
| Specie,                     | 8,885,000     | 11,983,000    | 9,107,920     | 6,751,338      |
| Cash items,                 | 5,948,000     | 9,370,000     | 8,703,577     | 5,773,952      |
| Notes of solvent banks,     | 2,259,000     | 2,686,000     | 2,420,375     | 2,663,869      |
| Notes of suspended banks,   | 14,000        | 3,000         | 2,780         | 8,001          |
| Bank balances,              | 9,534,000     | 14,273,000    | 10,725,755    | 8,162,921      |
| Total resources,            | \$120,402,000 | \$138,768,000 | \$132,249,276 | \$114,993,996  |

## PLANTERS' BANK OF TENNESSEE AND BRANCHES.

| <i>Resources.</i>                         | 1846.       | 1847.       | 1848.       |
|-------------------------------------------|-------------|-------------|-------------|
| Notes Discounted,                         | \$1,241,094 | \$1,374,625 | \$1,179,948 |
| Domestic Bills,                           | 723,447     | 780,610     | 562,933     |
| Notes and Bills in Suit,                  | 228,749     | 306,906     | 294,864     |
| Real Estate,                              | 325,476     | 188,050     | 196,092     |
| Amount due from Banks,                    | 612,194     | 560,595     | 153,701     |
| Bonds of the State of Tennessee,          | 98,750      | 78,750      | 67,750      |
| Stock of the Tennessee Insurance Company, | 5,400       | 5,400       | 5,400       |
| Profit and Loss,                          | 127,836     |             | 40,254      |
| Notes of other Banks,                     | 81,727      | 84,036      | 50,079      |
| Gold and Silver,                          | 482,932     | 516,876     | 317,169     |
| Total resources,                          | \$3,927,605 | \$3,895,848 | \$2,868,193 |

| <i>Liabilities.</i>           | 1846.       | 1847.               | 1848.       |
|-------------------------------|-------------|---------------------|-------------|
| Capital Stock,                | \$2,248,300 | \$2,248,300         | \$2,248,300 |
| Less amount held by the Bank, | 397,900     | 481,700             | 506,900     |
| Office Balances,              | 43,911      | 23,285              | 13,406      |
| Amount due to Banks,          | 29,797      | 96,066              | 58,316      |
| Dividends unpaid,             | 8,662       | 10,130              | 5,737       |
| Individual Depositors,        | 464,191     | 318,612             | 292,931     |
| Circulation,                  | 1,557,544   | 1,673,733           | 756,402     |
| Nashville, July 1, 1848.      |             | N. HOBSON, Cashier. |             |

SAVINGS OF MERCHANTS' CLERKS.—A Savings Bank for Merchants' Clerks was incorporated at the recent session of the Legislature, and goes into operation to-day, at No. 5 Beekman street, Clinton Hall.—James G. King is President, Prosper M. Wetmore and Robert Kelly, Vice Presidents; Joshua I. Palmer, Treasurer; T. Spencer Kirby, Secretary, and Charles Rolfe, Accountant. This institution will be a great convenience to clerks and other persons, (for it is not confined to clerks,)—the Chambers street Savings Bank being so crowded with customers that it is a long job either to make a deposit or withdraw one.

## FINANCES OF THE UNITED STATES.

FROM a circular for the European correspondents of CAMMANN & WHITEHOUSE, we are permitted to copy the annexed interesting tables, compiled at their request by the Treasury Department, in order that official information might be given to foreigners desirous of investing in American Stocks—of the extent of our population, resources and debt.

STATEMENT, exhibiting the population of the United States, the Public Debt, the receipts from Treasury Notes and Loans, the receipts, exclusive of Treasury Notes and Loans, and the payments on account of the debt each year, from 1791, to June, 1848, inclusive.

| Year. | Receipts from<br>Loans and<br>Treas. Notes. | Revenue exclusive<br>of Loans and<br>Treasury Notes. | Principal and in-<br>terest of debt<br>paid. | Population. | Debt.          |
|-------|---------------------------------------------|------------------------------------------------------|----------------------------------------------|-------------|----------------|
| 1791  | 5,791,112 56                                | 4,418,913 19                                         | 5,287,949 50                                 | 4,067,371   | 75,463,476 52  |
| 1792  | 5,070,806 46                                | 3,669,960 21                                         | 7,263,665 99                                 | 4,205,414   | 77,227,924 66  |
| 1793  | 1,067,701 14                                | 4,652,923 14                                         | 5,819,505 29                                 | 4,343,457   | 80,352,634 04  |
| 1794  | 4,609,196 78                                | 5,431,904 87                                         | 5,801,578 09                                 | 4,481,500   | 78,427,404 77  |
| 1795  | 3,305,268 20                                | 6,114,534 59                                         | 6,084,411 61                                 | 4,619,543   | 80,747,537 39  |
| 1796  | 362,800 00                                  | 8,377,549 65                                         | 5,835,846 44                                 | 4,757,586   | 83,762,172 07  |
| 1797  | 70,135 41                                   | 8,688,780 93                                         | 5,792,421 82                                 | 4,895,629   | 82,064,479 33  |
| 1798  | 308,574 27                                  | 7,900,495 80                                         | 3,990,294 14                                 | 5,033,672   | 79,223,529 12  |
| 1799  | 5,074,646 53                                | 7,546,813 31                                         | 4,596,876 78                                 | 5,171,715   | 78,498,669 77  |
| 1800  | 1,602,435 04                                | 10,848,749 10                                        | 4,578,369 95                                 | 5,309,758   | 82,976,234 35  |
| 1801  | 10,125 00                                   | 12,935,330 95                                        | 7,291,707 04                                 | 5,502,772   | 83,038,030 80  |
| 1802  | 5,597 36                                    | 14,991,793 95                                        | 9,539,004 76                                 | 5,695,787   | 80,712,632 25  |
| 1803  | .....                                       | 11,064,097 63                                        | 7,256,159 43                                 | 5,838,801   | 77,051,636 30  |
| 1804  | 9,532 64                                    | 11,826,307 38                                        | 8,171,787 45                                 | 6,081,816   | 86,427,120 88  |
| 1805  | 123,814 94                                  | 13,560,693 20                                        | 7,369,839 79                                 | 6,274,830   | 82,312,150 50  |
| 1806  | 48,897, 71                                  | 15,559,931 07                                        | 8,989,834 61                                 | 6,467,845   | 75,723,270 66  |
| 1807  | .....                                       | 16,393,019 26                                        | 6,307,720 10                                 | 6,660,859   | 69,218,398 64  |
| 1808  | 1,882 16                                    | 17,060,661 93                                        | 10,260,245 35                                | 6,853,874   | 65,196,317 97  |
| 1809  | .....                                       | 7,773,473 12                                         | 6,452,554 16                                 | 7,046,888   | 57,023,192 09  |
| 1810  | 2,759,992 25                                | 9,384,214 28                                         | 8,008,904 46                                 | 7,239,903   | 53,173,217 52  |
| 1811  | 8,309 05                                    | 14,423,529 09                                        | 8,009,204 05                                 | 7,479,729   | 48,005,587 76  |
| 1812  | 12,837,900 00                               | 9,801,133 76                                         | 4,449,622 45                                 | 7,719,555   | 45,209,737 90  |
| 1813  | 26,184,435 00                               | 14,340,409 95                                        | 11,108,123 44                                | 7,959,381   | 55,962,827 57  |
| 1814  | 23,377,911 79                               | 11,181,625 16                                        | 7,900,543 94                                 | 8,199,208   | 81,487,846 24  |
| 1815  | 35,261,320 78                               | 15,696,916 82                                        | 12,628,922 35                                | 8,439,034   | 99,833,660 15  |
| 1816  | 9,494,436 16                                | 47,676,985 66                                        | 24,871,062 93                                | 8,678,860   | 127,334,933 74 |
| 1817  | 734,542 59                                  | 33,099,049 74                                        | 25,423,036 12                                | 8,916,687   | 123,491,965 16 |
| 1818  | 8,765 62                                    | 21,585,171 04                                        | 21,296,201 62                                | 9,158,513   | 103,466,633 83 |
| 1819  | 2,291 00                                    | 24,603,374 37                                        | 7,703,926 29                                 | 9,393,339   | 95,529,648 28  |
| 1820  | 3,040,824 13                                | 17,840,669 55                                        | 8,628,494 28                                 | 9,638,166   | 91,015,566 15  |
| 1821  | 5,000,324 00                                | 14,573,379 72                                        | 8,367,093 62                                 | 9,959,965   | 89,987,437 66  |
| 1822  | .....                                       | 20,232,427 91                                        | 7,848,949 12                                 | 10,281,765  | 93,546,676 98  |
| 1823  | .....                                       | 20,540,666 26                                        | 5,530,016 41                                 | 10,603,565  | 90,875,877 28  |
| 1824  | 5,000,000 00                                | 19,341,212 79                                        | 16,538,303 76                                | 10,925,365  | 90,239,777 77  |
| 1825  | 5,000,000 00                                | 21,840,858 02                                        | 12,095,344 78                                | 11,247,165  | 83,788,432 71  |
| 1826  | .....                                       | 25,260,434 21                                        | 11,041,082 19                                | 11,568,965  | 81,054,059 99  |
| 1827  | .....                                       | 22,966,363 96                                        | 10,003,668 39                                | 11,890,765  | 73,987,357 20  |
| 1828  | .....                                       | 22,763,629 23                                        | 12,163,438 07                                | 12,212,565  | 67,475,043 87  |
| 1829  | .....                                       | 24,827,627 38                                        | 12,383,867 78                                | 12,534,365  | 58,421,413 67  |
| 1830  | .....                                       | 24,844,116 51                                        | 11,355,748 22                                | 12,856,165  | 48,565,406 50  |
| 1831  | .....                                       | 28,526,820 82                                        | 16,174,378 22                                | 13,277,415  | 39,123,191 68  |
| 1832  | .....                                       | 31,865,561 16                                        | 17,840,309 29                                | 13,698,665  | 24,322,235 18  |
| 1833  | .....                                       | 33,948,426 25                                        | 1,543,543 38                                 | 14,119,915  | 7,001,032 88   |
| 1834  | .....                                       | 21,791,935 55                                        | 6,176,565 19                                 | 14,541,165  | 4,760,082 08   |
| 1835  | .....                                       | 85,430,037 10                                        | 58,191 28                                    | 14,962,415  | 351,289 05     |
| 1836  | .....                                       | 50,826,796 08                                        | .....                                        | 15,383,665  | 291,089 05     |
| 1837  | 2,992,989 15                                | 24,830,864 69                                        | 21,822 91                                    | 15,804,915  | 1,878,223 55   |
| 1838  | 12,716,820 86                               | 26,303,561 74                                        | 5,605,720 27                                 | 16,226,165  | 4,857,660 46   |
| 1839  | 3,857,276 21                                | 30,023,966 68                                        | 11,117,987 42                                | 16,647,415  | 11,983,737 53  |
| 1840  | 5,583,547 51                                | 19,442,646 08                                        | 4,086,613 70                                 | 17,068,666  | 5,125,077 63   |
| 1841  | 13,659,317 39                               | 16,860,160 27                                        | 5,600,689 74                                 | 17,560,082  | 6,737,398 00   |
| 1842  | 14,803,735 64                               | 19,965,099 25                                        | 8,575,539 94                                 | 18,051,499  | 15,028,486 37  |
| 1843  | 12,551,409 19                               | 8,231,001 26                                         | 861,596 55                                   | 18,542,915  | 27,748,188 23  |
| 1844  | 1,877,847 95                                | 29,320,707 78                                        | 12,991,902 84                                | 19,034,332  | 24,748,188 23  |
| 1845  | .....                                       | 29,941,853 90                                        | 8,595,049 10                                 | 19,525,749  | 17,093,794 80  |
| 1846  | .....                                       | 29,699,967 74                                        | 1,213,823 31                                 | 20,017,165  | 16,750,926 33  |
| 1847  | 28,903,765 36                               | 26,437,403 16                                        | 6,719,282 37                                 | 20,508,582  | 38,956,623 38  |
| 1848  | 21,256,700 00                               | *35,425,750 59                                       | *15,429,197 21                               | 21,000,000  | 48,526,309 37  |

Present debt, including the amount to be realized on the 1st of July, 1848, of the Loans of 1846, 1847 and 1848, \$65,787,00 92.

TREASURY DEPARTMENT, August 5, 1848.

DANIEL GRAHAM, Register.

\*Estimated, returns not completed.



## CANAL BANK OF ALBANY.

Report of the Agents appointed to investigate the failure of the Canal Bank.

COMPTROLLER'S OFFICE, *July 11, 1848.*

Having good and sufficient reason to suspect that "the President, Directors, and Company of the Canal Bank of Albany" is insolvent and unable to meet its liabilities, I hereby appoint Andrew White my special agent, forthwith to examine into the affairs of said bank, and as far as lies in his power to secure from destruction all the circulating notes of said bank now in the possession of said bank, and to prevent from waste or misappropriation any of its funds or assets, and secure them for the benefit of the creditors of said bank, and to make report to this department of his doings in this matter, with all convenient dispatch.

Given under my hand and seal of office the day and year above [Seal] mentioned.

MILLARD FILLMORE, *Comptroller.*

A like commission in all respects, was issued to Thomas McMullen.

*Report of the Special Agents. Canal Bank.*

TO MILLARD FILLMORE, Comptroller, &c.

The undersigned Special Agents, appointed on the 11th day of July last, "to examine into the affairs of the Canal Bank, and as far as lies in their power to secure from destruction all the circulating notes of said bank then in their possession, and prevent from waste or misappropriation any of its funds or assets, and secure them for the benefit of the creditors of said bank," most respectfully beg leave to present for your consideration the following abstract of their investigation.

R E P O R T ,

That they reluctantly entered on the duties assigned them, with a due estimation of their importance, and a deep conviction of the accountability resting upon them in view of the important and difficult trust confided to their investigation.

They did not anticipate, at the time of the appointment to this unsought for and undesirable duty, that they would be called upon to investigate any transaction that would conflict with their own feelings, or in any case bear unfavorably upon the character and reputation of those whom they have been taught to esteem and respect, those who have been their associates in business and otherwise, and whose honesty and integrity they had deemed unimpeachable.

Such duties are embarrassing and arduous to discharge, requiring firmness of purpose, united with the greatest caution and deliberation.

It has been the universal opinion, and sincerely believed to be the case by many individuals in this city, that the funds of the bank for a period of time, have been used for speculating purposes, and that abuses of a criminal and aggravated nature have been perpetrated for a number of years upon the stockholders and creditors of the institution. And now,

from the result of this examination, it is most conclusively demonstrated that their worst fears are more than realized, and the repeated insinuations that have come to their knowledge, descriptive of illegal practices on the part of the officers and directors of the bank, are truths and facts, and not the result of imaginary or erroneous suspicion.

From such a state of public feeling in a matter in which a large portion of this community were interested, we are led to the conclusion that nothing less than a full and thorough investigation of the conduct of the managers and officers of the bank would in the least satisfy the public mind, do justice to the innocent, and be the means of averting odium and putting to silence imputations prejudicial to the other institutions of this city.

The Special Agents, immediately after their appointment, with the consent and approbation of the Cashier, took possession of the assets, books and papers then in the bank, and proceeded in their investigation. After a short progress in that examination, they became possessed of evidence sufficient to satisfy them that the bank was insolvent, and they deemed it their duty to make an affidavit, a copy of which is hereunto annexed, setting forth many of the most prominent facts that had led them to such a conclusion.

On the 14th of July, the Attorney General applied for and obtained from the Supreme Court an injunction, and subsequently one of the undersigned was appointed by Judge Harris, the Receiver.

The Special Agents, in compliance with the directions given them, secured all the circulating notes then on hand, and preserved the available assets. Hereunto attached will be found an inventory of all the property of every description that has come to their knowledge, considered as the effects of the bank.

They deem it also justifiable and proper to submit for your consideration and examination the testimony of the officers of the bank, examined by them under oath, with such extracts from the book of minutes as tend to show their management in regard to the affairs of the bank.

We have attached also to this report, among the documents appended, a list of the Stockholders, with the amount of stock owned by each, and a separate list of that held and owned by the directors, together with the amount of the directors' indebtedness and liabilities to the bank, with the liabilities of John L. Crew, the Teller, embracing the sums loaned by him to some of his relations and others, together with a list of the officers of the bank at the time the examination commenced.

The following statement embraces the aggregate amount of the resources and liabilities on the morning of the 11th day of July last:—

#### A S S E T S .

|                                               |                       |
|-----------------------------------------------|-----------------------|
| Bills receivable, discounted and past due,    | \$377,822 50          |
| “ “ past due, under protest,                  | 126,233 59            |
| “ “ on demand, short notice,                  | 183,702 53            |
| “ “ in hands of attorneys,                    | 71,316 67             |
| Bonds and mortgages, stocks and certificates, | 97,090 98             |
| Real estate, principally in Michigan,         | 57,157 91             |
| Gold, silver, bills, &c.,                     | 1,321 54              |
| Due from banks,                               | 99,053 87             |
| Over Drafts,                                  | 52,991 98             |
| Bank furniture, &c.,                          | 300 00                |
| <b>Total,</b>                                 | <b>\$1,066,991 57</b> |

*Canal Bank of Albany.*

## L I A B I L I T I E S .

|                          |                      |
|--------------------------|----------------------|
| Capital stock,           | \$300,000 00         |
| Due to banks,            | 467,547 08           |
| Commissioner Canal Fund, | 46,633 72            |
| Treasurer of State,      | 24,539 34            |
| Circulating notes,       | 248,970              |
| On hand,                 | 63,439               |
|                          | <hr/> 185,531 00     |
| Due Depositors,          | 149,771 13           |
|                          | <hr/> \$1,174,022 27 |
| Deficiency, \$107,030 70 |                      |

Thus it will be perceived, that of the entire avails of the bank, embracing a large amount invested in real estate, estimated above its value, and a much greater sum in the course of litigation and in the hands of attorneys for collection, there remains the enormous sum of *one hundred and seven thousand and thirty dollars and seventy cents*, to be accounted for.

But in order that you may be in possession of the facts as they really exist, it will be necessary to explain some recent transactions in which the financial officer of the bank was the principal actor.

During the investigation, and before the court had appointed the receiver, the Cashier presented to one of the Agents the following notes :

|                                                                                                              |                   |
|--------------------------------------------------------------------------------------------------------------|-------------------|
| E. Croswell's note, dated on demand 13th Oct., 1847, endorsed Theodore Olcott.                               | \$20,000 00       |
| E. Croswell's note on demand, dated Nov. 30th, 1847, endorsed Theodore Olcott,                               | 8,125 00          |
| John Keyes Paige, President, endorsed Theodore Olcott, Treasurer, dated 5th Oct., 1847.                      | 6,775 47          |
| do do 2d Sept., 1847,                                                                                        | 6,491 57          |
| H. Dwight, draft, dated July 14, 1848, on Cashier of Canal Bank Albany, in favor of E. Croswell, <i>only</i> | 50,000 00         |
|                                                                                                              | <hr/> \$91,392 04 |

At or about the time the above was handed in, it was remarked by Mr. Olcott that he was in possession of a power of attorney from the "Pratt Bank of Buffalo" to borrow and loan money on their account, and that he had borrowed from the Canal Bank about the sum that appeared there due from the Pratt Bank, and desired that the amount of the notes be passed to their credit, and then their account would necessarily be balanced.

This explanation did not appear satisfactory or plain enough to justify the agents in balancing the account of the Pratt Bank without a more explicit and full examination of the whole matter. It was but a few days until information was received from the gentlemen owning and managing the Pratt Bank of Buffalo, that they had many months since closed their business transactions with the Canal Bank of Albany, and that they had no knowledge of a single business transaction of any kind or character subsequent to the 15th day of May last, when they made a draft of over \$4,000, the amount then due them, on the Canal Bank, in favor of the Messrs. Washburns & Co., of this city.

Thus it will be seen that the *pretended* indebtedness of the Pratt Bank,

was only a cover for a large loan made from the funds of the Canal Bank to a few of its directors.

A correct statement, made from the books as they will appear, deducting the sum of \$91,309.44 reported as being due from the Pratt Bank of Buffalo, and leaving in the hands of the agents notes of E. Croswell and others not enumerated in the resources of the bank.

The foregoing shows that the bank, on the day of its failure, had previously squandered nearly two-thirds of its capital, \$198,340 14. Besides this, the Directors had borrowed, without a shadow of security, the enormous sum of \$198,340 14, independent of their liabilities as endorsers for \$174,950 29.

It cannot be disguised that illegal and improper practices have been for some years perpetrated by the officers of the bank, for which the sufferers demand satisfaction, and justly require that the utmost penalties of the law regulating such institutions be enforced.

It will be seen on a careful examination of schedule J., marked "*Cash Items*," "*Teller's Drawer*," hereunto annexed, that a system of speculation has been practised by the Teller, in constantly absorbing a large portion of the funds belonging to the bank, the use of which enabled him to discount checks and notes for particular favorites, besides having an individual indebtedness of more than *thirty-five thousand dollars*.

The Special Agents herewith present, in order that you may understand more satisfactorily the extent of the deficiency in detail, a copy of the statement of the Canal Bank, sworn to by John Keyes Paige, President, and Theodore Olcott, Cashier, on the 19th day of April last. The statement is copied from the original on file in the Comptroller's office, verbatim, giving some alterations and corrections that did not appear upon the printed copy:—

*Statement of the condition of the Canal Bank of Albany, on the morning of the 4th day of March, 1848.*

#### RESOURCES.

|                                   |                |
|-----------------------------------|----------------|
| Loans and discounts,              | \$619,896 38   |
| Due from directors of the bank,   | 81,074 46      |
| Real estate,                      | 51,889 15      |
| Bonds and mortgages,              | 3,551 87       |
| Stocks and promissory notes,      | 27,021 60      |
| Due from brokers,                 | 9,000 00       |
| Bank fund,                        | 13,000 00      |
| Over drafts,                      | 3,085 16       |
| Specie,                           | 8,320 00       |
| Cash items,                       | 56,708 31      |
| Bills of solvent banks on hand,   | 86,158 00      |
| Due from banks,                   | 243,519 00     |
| Bills of suspended banks on hand, | 1,022 00       |
| Add for cents,                    | 3 60           |
| Total,                            | \$1,204,846 80 |

## LIABILITIES.

|                                      |                |
|--------------------------------------|----------------|
| Capital stock,                       | \$300,000 00   |
| Profits,                             | 16,226 58      |
| Notes in circulation not registered, | 3,781 00       |
| Registered,                          | 155,575 00     |
| Due depositors on demand,            | 76,580 49      |
| Due individuals other than banks,    | 6,263 90       |
| Due banks,                           | 506,603 57     |
| Due Commissioners Canal Fund,        | 159,819 00     |
| Add for cents,                       | 3 00           |
| Total liabilities,                   | \$1,204,846 80 |
| Signed, J. K. Paige, Theo. Olcott.   |                |

Sworn to 19th April, 1848. James I. Johnson, Com. of Deeds.

Among the "cash items" of the teller were found two checks, one dated Jan. 1st., 1849, for \$4,577, signed J. L. Crew, (teller of the bank,) and one dated July 1, 1849, for \$4,280, signed "J. T. Crew by J. L. Crew." These checks were held by the teller as cash, and so counted daily in balancing his account. It will be observed that one of the checks is dated 1st of July, 1849, and the special agents desired him to explain why he appropriated the funds of the bank, and substituted his own check, dated about a year in advance; to which he replied that "he was frequently away from home, and in travelling he did not know how or when death might overtake him, and that he took this precaution that his executors might have ample time to settle his affairs before his indebtedness could mature."

Among the many transactions which have come to the knowledge of your special agents, the following is deemed of importance enough to communicate:—

Mr. W. M. Ostrander, of Syracuse, came to the city on the 8th of July, (two days before the bank failed,) calling at the Canal Bank, and requested that the cashier would discount for him three notes for \$2,500 each, he was informed that he would discount them and gave Mr. Ostrander a blank check to sign in order to draw the money, which done, the Cashier gave him \$7,500 in Canal Bank bills. Mr. Ostrander returned home, and hearing of the failure, immediately returned, expecting that he would have no difficulty in exchanging his bills for the notes, but to his astonishment was informed that the Mechanics' and Farmers' Bank held the notes, and claimed that they had discounted them, and they produced a check on that bank, signed by Mr. Ostrander, showing that he had signed a check on the Mechanics' and Farmers' Bank, instead of the Canal Bank, the business having all been transacted in the Canal Bank. Mr. Ostrander still declares that he never had any communication with a single individual connected with the Mechanics' and Farmers' Bank, in any way in relation to the loan.

A transaction connected with the account of M. R. Eames, will further expose the mismanagement of this bank. It appears that Eames called at the Canal Bank a few days before its failure, and left for collection two notes and one draft, and at the same time drew his check for \$3,000, and authorized the Cashier to place the same amount of funds in Buffalo, subject to his order, agreeable to the arrangement which existed be-

tween him and the Cashier; after Mr. Eames had left the bank, the Cashier states that he was informed by one of the clerks that Eames' account was overdrawn, and he therefore discounted one of the notes, amounting to \$1,800, signed Stephen Paddock, and endorsed M. R. Eames, to make the amount good. It is denied on the part of Eames that his account was overdrawn, and asserts that he was entitled to credits sufficient to make a balance in his favor without any reference to the Paddock note. It also appears that this note was discounted by the Canal Bank on the 8th July, and rediscounted on the same day at the Mechanics' and Farmers' Bank, and is now held by them, it was protested on the 15th inst., and Paddock has been sued for the payment of the same.

The account of Edwin Croswell shows a balance due him (without any reference to the notes and checks which he owes,) of \$20,826,10, to make this, a credit had been made of \$25,000, either on Monday afternoon or early on the morning of Tuesday, (the day the bank failed.) On enquiring, the teller stated that he was unable to say whether the credit was made on Monday afternoon or Tuesday morning, that nothing in the form of a deposit was received by him from Mr. Croswell, but that he was directed to give the credit on his cash book by the cashier. The cashier thinks that there was some mistake, and that this credit should not have been given. This credit being deducted leaves Mr. Croswell's account overdrawn upwards of \$4,000.

In connection with this, it is proper to state the circumstances under which the bank hold a bond and mortgage, (held as collateral,) given by Mr. Croswell on his house and lot in Elk street; the bond and mortgage is dated August 1, 1842, and is given for \$6,500, and was found by your agent *not recorded*; the explanation given is, that at the time it was drawn it was not considered of much importance, inasmuch as the property was already mortgaged for about its value.

It cannot be expected, nor will it be pretended, that this report will be accurately correct, or to be relied on other than as an approximation towards what may hereafter be ascertained to be correct. The individual acting as book-keeper for the last two years, has, for *some cause* grossly neglected his business, and consequently the books of the bank have been left in a mystified and confused condition. A great portion of the accounts have been incorrectly balanced, entries to wrong accounts, credits entered on the debit side of the ledger, entries made on the cash book from \$100 to \$500 short of the amount received, and blunders and errors of like kind on almost every page of the books.

Thus it will be seen that it will require a long time, with patient investigation to bring the accounts to a position when they can be properly settled and finally adjusted.

During the examination of the teller under oath, by the Attorney General, the cashier was informed that during the afternoon of that day he would also be examined in relation to matters connected with the bank. Accordingly a note was sent to his house, with direction to appear that afternoon at 3 o'clock, to which no reply was received, nor a reason given for his non-appearance. He was also notified to appear on the following Monday, but he still neglected to appear and was not examined.

The necessity is to be regretted that has thus compelled your agents

in this investigation to communicate facts that may injure the feelings or wound the sensibilities of those connected with the persons alluded to, either by the ties of friendship or kindred; but they owe a duty to the innocent victims of rapacious speculation, to the fair reputation of the city and its institutions, which duty they have performed with a conscientious endeavor to merit approbation from those who love truth and revere justice.

*Bank Balances, July 11, 1848, Due to Banks.*

|                                                |                    |
|------------------------------------------------|--------------------|
| Exchange Bank of Genesee,                      | 8444 95            |
| Merchants' & Farmers' Bank,                    | 4207 01            |
| Commercial, Cleveland,                         | 23965 42           |
| Bank of Ithaca,                                | 48656 36           |
| Lewis County Bank,                             | 17848 25           |
| Onondaga Co. do                                | 54944 62           |
| Ogdensburg do                                  | 34429 70           |
| Bank of Geneva,                                | 95160 27           |
| Schenectady Bank,                              | 8585 13            |
| Bank of Troy,                                  | 3475 00            |
| Mechanics' & Traders' Bank,                    | 4702 71            |
| Seneca Co. Bank,                               | 40252 18           |
| Manhattan Company, N. York,                    | 34621 32           |
| Merchants' and Mechanics' Bank, Troy,          | 15005 00           |
| Canal Bank, Albany, per Van Valkenburgh's ac., | 1478 72            |
| North River Bank,                              | 25255 90           |
| Iron Bank,                                     | 25035 75           |
| Norwalk Bank, Ohio,                            | 886 73             |
| Albany Exchange Bank,                          | 8888 76            |
| Bank of Albany,                                | 4852 00            |
| Agricultural Bank,                             | 403 37             |
| Farmers' Bank, Amsterdam,                      | 1 80               |
| Highland Bank,                                 | 1156 30            |
| Bank of Kinderhook,                            | 969 92             |
| Pratt Bank, Buffalo, special ac.,              | 7 99               |
| Delaware Bank, "                               | 1306 00            |
| Commercial Bank, Rochester,                    | 64 25              |
| " " Branch Bank                                | 250 00             |
| Walter Joy Bank,                               | 2851 67            |
| Total,                                         | <hr/> \$467,547 68 |

*Directors' Indebtedness, July 11, 1848, Canal Bank.*

|                         |                    |
|-------------------------|--------------------|
| Theodore Olcott,        | \$39,794 57        |
| Edward Archer,          | 27,309 41          |
| John Keyes Paige,       | 5,119 84           |
| Robert C. Russell,      | 21,125 00          |
| Elisha N. Pratt,        | 10,530 00          |
| Thaddeus Joy,           | 41,149 67          |
| Charles Van Benthuyzen, | 5,717 99           |
| William J. Fryer,       | 750 00             |
| Samuel W. Hoag,         | 200 00             |
| Edwin Crosswell,        | 77,296 81          |
| Total,                  | <hr/> \$228,994 09 |

*Liabilities for Endorsements and other securities, Directors Canal Bank.*

July 11, 1848.

|                                          |                     |
|------------------------------------------|---------------------|
| Theodore Olcott,                         | \$12,184 74         |
| Edward Archer,                           | 17,712 61           |
| John Keyes Paige, President Glass Works, | 96,999 36           |
| Robert C. Russell,                       | 3,071 97            |
| E. N. Pratt,                             | 2,200 00            |
| Thaddeus Joy,                            | 10,400 00           |
| William J. Fryer,                        | 605 00              |
| Charles Van Benthuyssen,                 | 3,270 31            |
| Archibald McClure,                       | 466 43              |
| Edwin Croswell,                          | 28,039 97           |
| <b>Total,</b>                            | <b>\$174,950 29</b> |

Theodore Olcott, on the 14th day of July, 1848, presented the following notes, with a request that they should be credited to the Pratt Bank of Buffalo, having been discounted previously with funds belonging to that bank. If they are so credited, it will increase the indebtedness of John Keyes Paige, President, and Edwin Croswell as follows.

|                                                                                                                   |                                                   |                    |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------|
| 1847, Oct. 13.                                                                                                    | E. Croswell's note on demand, endorsed T. Olcott, | \$20,000 00        |
| " Nov. 30.                                                                                                        | do. do. do.                                       | 8,125 00           |
| " Oct. 5.                                                                                                         | J. K. Paige, President, T. Olcott, Treasurer,     | 6,775 47           |
| " Sept. 2.                                                                                                        | do do                                             | 6,491 57           |
| " July 14. H. Dwight, draft on cash Canal Bank, in favor of Edwin Croswell only, which was revoked July 20, 1848, |                                                   | 50,000 00          |
|                                                                                                                   |                                                   | <b>\$91,392 00</b> |

If the above demands are charged to the account of E. Croswell and J. K. Paige, President, their indebtedness will be as follows:—

|                              |                     |
|------------------------------|---------------------|
| John Keyes Paige, President, | \$110,266 40        |
| Edwin Croswell,              | 105,421 81          |
|                              | <b>\$215,668 21</b> |

*Examination of John L. Crew, Teller.*

JOHN L. CREW.

*Question.* Were you the Teller of the President, Directors and Company of the Canal Bank of Albany, commonly called the Canal Bank, on and prior to the 11th day of July instant, and how long had you been such Teller?

*Answer.* I was the Teller on the 11th day of July inst. How long I cannot tell without reference to the books. I think I had been such Teller about three years.

*Q.* Have you any knowledge of the removal or transfer or change of possession of any notes, bonds, bills, or any other kind of evidence of indebtedness to said Bank, or of any moneys, drafts, or bank bills, being removed from said Bank at any time within a week before the said eleventh day of July?

*A.* Yes, I have.



**Q.** State what securities, moneys or bank notes have been within that time removed or transferred, and open to the books or other evidence kept in writing in the course of the business of the bank showing the same.

**A.** I refer to the book "Receipt Cash Book, No. 32," Canal Bank, from date of 3d of July, 1848; on that day I should have on hand, according to the books, \$181,572,23. The left hand column of the Teller's exchange book, under and after the date of July 3d, shows the transactions of the exchanges with the different banks in this city and Troy. It shows that truly, unintentional and unknown errors excepted. The entries on the right hand column are the items which were received of the bank as far as I know. I am able to say it contains a true account of all that was received from other banks. There were other moneys out of the bank during that time in payment of checks drawn by persons having deposits in the bank. Those checks are charged on the debtor cash book, marked disbursement cash book, No. 32, Canal Bank. The entries under and after July 3d, on that book, show all the checks and vouchers for all moneys which were disbursed and paid out or parted with during that time, to my personal knowledge.

**Q.** Have you any reason to believe that any moneys or bank bills, or other evidence of debt, or property of any description, was paid out or transferred, or in any way removed from the bank within that time except those already stated by you?

**A.** No sir; not to my best recollection. I was in the bank all the time during the usual business hours, from the 3d to the 11th of July.

**Q.** Were you in the bank on the 10th July?

**A.** Yes; I was here in the morning and until 9 o'clock in the evening. I did not do anything in the evening.

**Q.** Who else was in the bank that evening after business hours?

**A.** All the clerks about, to wit: Mr. Hill, Mr. Jenkins, I recollect no other clerks. The Cashier, Mr. Knower, a clerk, and a Mr. William McPherson, the errand boy, were also in. There were other persons in. Could not remember who; not any of them positively.

**Q.** Were there any of the officers, or directors, or stockholders, or depositors of the bank, in the bank after bank hours on that afternoon or evening?

**A.** I could not specify how many persons were there.

**Q.** Who, according to your best information or recollection?

**A.** I think Mr. Edwin Croswell and Mr. Thaddeus Joy may have been in, as for any body else I have no sort of recollection of any body.

**Q.** About what time do you think you saw Croswell or Joy in?

**A.** I could not say.

**Q.** Were either Croswell or Joy in after dark?

**A.** Not to my knowledge.

**Q.** Were either of them in after four o'clock in the afternoon?

**A.** Not to my knowledge.

**Q.** What is your best impression or information whether they or either of them was in after four o'clock in the afternoon?

**A.** I have no impression or information about it.

Q. Where was Joy or Croswell when in the bank that afternoon after banking hours or in the evening?

A. In the Cashier's room, the office, I presume the Cashier was with them, nobody else to my knowledge.

Q. What were they doing in the Cashier's room or office?

A. I do not know.

Q. Have you no knowledge or information direct or indirect, what they were doing there?

A. Not any.

Q. What time did they leave that place last as near as you can now recollect or judge?

A. I have no impression of it whatever.

Q. What part of the bank were you at that time?

A. At my counter in the room.

Q. Did you go out of the bank leaving them in, or did they go out of the bank, leaving you in?

A. I think it was before dark that I last knew of their being in the Cashier's room, or in the bank anywhere.

Q. What were you doing at your counter at that time?

A. Figuring to balance my cash. It was after past three o'clock I think; I can't recollect or give any account of the time of day. I quit my desk at that time, when trying to balance my cash.

Q. Who was in the bank last that evening that you recollect besides yourself?

A. Mr. Jenkins.

Q. What time did Mr. Jenkins leave the bank that evening?

A. At about 9 o'clock.

Q. Were the candles or lamps lighted?

A. The gas was burning.

Q. What was Mr. Jenkins about up to the time he left?

A. Did not seem to be doing anything. Mr. Jenkins and myself had gone out about eight o'clock to supper, and returned about a quarter to nine.

Q. Was anybody in besides Jenkins when you returned?

A. Mr. Hill, nobody else.

Q. Have you no knowledge or information about what was done in the bank after bank hours that afternoon or evening, except what you have stated?

A. I have not any.

Q. Was it a usual occurrence for the clerks or officers, or others connected with the bank to be in the bank after bank hours, as late as 9 o'clock?

A. When there was work to be done, it was usual, not usual lately.

Q. Was there any work to be done the evening of the 10th of July that called them there, to your knowledge?

A. Yes.

Q. What was it?

A. The balancing of the books for the day, making remittances for New York, forwarding packages to our Eastern correspondents, Western

banks, and our miscellaneous business; I can't specify all now; that was the principal I suppose.

Q. Did the business transacted that afternoon and evening, according to the usual course of business, require the presence of the Cashier and Mr. Croswell and Joy?

A. No, sir.

Q. Did you know what they were in the bank for?

A. No, sir.

Q. Had there been any of the clerks or officers or persons connected with the bank, in the bank after bank hours during or previous to the 10th of July?

A. Yes.

Q. Was there any one there on the evening of the 9th?

A. Not to my knowledge; that was Sunday evening.

Q. Was there any one there on the evening of the 8th?

A. I was there on the 8th.

Q. Do you know who else was there?

A. No distinct recollection; the Cashier, Mr. Hill, Mr. Jenkins and myself; none of the directors to my knowledge. I know of no business that was transacted that evening, or any thing that was done in the bank. There was nobody in after dark on the evening of the 8th, to my knowledge.

Q. Had you, at any time previous to the said 11th of July, any knowledge or information of any of the directors being in the bank after banking hours?

A. Not to my knowledge.

Q. Who are the directors?

A. John Keyes Paige, *President*, William J. Fryer, Thaddeus Joy, S. W. Hoag, Elisha N. Pratt, Archibald McClure, H. T. Mesick, Edward Artcher, Theodore Olcott, *Cashier*, Shular Cady, Robert C. Russell, David H. Ford, Charles Van Benthuyzen, Cyrus Hawley, Edwin Croswell.

JULY 14.—*After Dinner.*

Q. When were you absent from the bank, and when did you return in the month of July?

A. I was absent from the morning of June 1st, until the morning of July 3d,—Monday I was in the bank, it is my impression, all day.

Q. Were you familiar with the cash transactions in relation to your cash accounts, from the time you came home until the 11th day of July?

A. To the best of my recollection, I was.

Q. On the morning of the 11th, when you came into the bank, were Thaddeus Joy and Walter Joy in the bank—do you recollect that?

A. I do not.

Q. Do you recollect that they were in the bank that morning?

A. I do not recollect positively: I am not positive.

Q. Do you not recollect of their standing at the end of the counter in the bank when you came by with the money drawer or papers, to bring it into the Cashier's room?

A. I do not distinctly remember.

Q. Do you say positively that you have no recollection of Thaddeus Joy and Walter Joy being in the bank that morning?

A. To the best of my recollection, I do not know that they were.

Q. Do you recollect Walter Joy's receiving any packages of money from the 7th to the 11th of July?

A. I do not, to the best of my recollection.

Q. Is that your memorandum of entries of cash, and is that your cash book? (Quarto bound, sheepskin.)

A. It is: and I acknowledge that it is my writing. The star refers to an excess of cash—\$10,000—there was a mistake of \$10,000 in the posting.

Q. Have you been in the habit, since you were Teller in the bank, of receiving sums of money of persons for getting notes discounted?

A. To the best of my knowledge I never did.

Q. Have you ever received money from individuals who had notes discounted, for getting them discounted, while you were the Teller of the bank?

A. Yes, I have; I have sometimes discounted notes myself, at a little over the interest of my own money. To the best of my recollection it is at least a year since I received a fee in this way.

Q. At what rates did you discount?

A. I have no remembrance of any particular rates of interest.

Q. Did you ever discount a note in that way after the bank had declined discounting it?

A. To the best of my recollection, I never did.

Q. You say you have received a premium for discounting. Where was the money obtained which you gave for them?

A. It was either my own or that of my friends.

Q. Did you never have funds of the Canal Bank for the purpose of discounting notes for which you have obtained a premium?

A. Not to the best of my recollection.

Q. Have you never taken money from the drawer of the bank and discounted paper and loaned it to individuals?

A. I have loaned individuals money sometimes on checks; the money was the money of the bank.

Q. I want to know whether you have ever taken money belonging to the bank from the bank drawer and loaned it to individuals, received the premium yourself, deposited your check or your father's in the drawer in substitution of the money taken out?

A. Not to the best of my recollection.

Q. Are you not now indebted to the bank for money obtained by yourself and for your father, acting as his attorney, and if so, about how much?

A. I am indebted to the bank for money obtained by me for myself, but am not indebted to the bank for money obtained for my father, not as I understand it.

Q. Have you a power of attorney to use your father's name?

A. Yes; or the Cashier has it, which is the same thing; I suppose it is in the bank. (*Continued on p, 217, Oct. number.*)

## Notes on the Money Market.

NEW YORK, AUGUST 23, 1848.

We note an improved condition of the money market within the past month. Loans have been made this week on demand at 7 per cent., and there is obviously less demand for money in the street. Our banks, for several months past, have been held in a state of suspense and inaction, in consequence of the excessive demand for coin to ship to Europe. These shipments have been heavy and continuous throughout the summer. We are glad to say that they have ceased. Bills on London are now selling at 9 @ 9½ premium, and an abundance at these quotations, by the best signatures in our city.

A large portion of our indebtedness to Europe, has been recently paid in coin. This unfavorable balance of trade, arises in part from the heavy imports of foreign fabrics, but more especially from the fall in the price of cotton. Orders from this country to Europe, six and nine months since, were based upon fair prices for our cotton and upon a partial demand for bread stuffs. The political and financial troubles in Great Britain and on the continent, have tended to reduce the prices of our great staple nearly 50 per cent., and although the shipments have been very large to Europe, yet the proceeds are comparatively small.

The exports of cotton this year, as compared with the previous year, are as follows :

|           | To Great Britain. | To France. | Other Foreign Ports. | Total.    |
|-----------|-------------------|------------|----------------------|-----------|
| 1846-'47, | 794,000           | 230,000    | 158,000              | 1,182,000 |
| 1847-'48, | 1,272,000         | 276,000    | 250,000              | 1,798,000 |
| Increase, | 478,000           | 46,000     | 92,000               | 616,000   |

Exhibiting an increase of 616,000 bales for the year; but the proceeds of 1,700,000 bales in 1848 will not equal the sales of 1,182,000 bales in 1847. The entire crop of this year is, (thus far,) 2,282,000 bales against 1,750,000 bales for the same period last year, leaving only twenty days to complete the year.

To show the loss sustained by this country in the fall of cotton, it is only necessary to say that the ordinary insurance value of cotton per bale is \$40—equal to \$72,000,000, for the above foreign export of the current year; whereas, the value at present cannot be more than \$25 per bale, equivalent to \$45,000,000 only, a clear difference of twenty-seven millions of dollars.

The failure of the Canal Bank of Albany, has excited much regret and some distrust. When an old monied institution thus suddenly breaks down, after repeated printed statements of its solvency, verified by its officers under oath, the people at large lose confidence in other institutions of the State. The Canal Bank has not, it is true, enjoyed the confidence of the Albany community for several years; but out of the city, people have no means of discriminating as to the value of one bank note over another of the same city. The report of the bank committee in our present number, exhibits gross mismanagement on the part of the active directors and culpable negligence on the part of those who did not attend to their trust.

A defalcation has occurred in the Brooklyn Savings' Bank, showing a fraud of some years' standing. If such transactions are allowed to occur, it is full time that a better system of book-keeping were adopted, and that directors should be appointed who can inform themselves of the *true condition* of the institution, without depending upon the say-so of their clerks.

The State of Pennsylvania has paid its semi-annual interest upon its public debt, due on the 1st day of August. It is a subject of mortification to citizens of Pennsylvania as well as to Americans generally, that such a State has authorised repeated payments of its interests in depreciated or uncurrent money. A considerable portion of that due in August, (as well as in previous instances,) was paid in *Relief notes*, which are now at a discount of 2 per cent. How different this is from the policy of New York! This latter State suffered a loss of seventy thousand dollars in one year (1837) in order to convert its uncurrent funds into specie, to pay off its creditors in legal money. While Pennsylvania allows such a pitiful course to be pursued by its officers, and possessing at the same time, an annual revenue of three and a half millions of dollars, it is not surprising that its stock does not advance to its intrinsic value. At this moment, Massachusetts five per cents. are in demand at 92 and Pennsylvania five per cents. selling at 74 per cent. Hamilton says, "credit is an entire thing. Every part of it has the nicest sympathy with every other part. Wound one limb and the whole tree shrinks or decays." The legislators of Pennsylvania would derive much advantage from the study of the Hamiltonian system of finance and principles of public credit.

THE  
BANKERS' MAGAZINE,  
AND  
State Financial Register.

VOL. III.

OCTOBER, 1848.

No. IV.

TRANSFERS OF BANK STOCK.

IN THE CIRCUIT COURT OF THE U. S. FOR THE FOURTH CIRCUIT, IN  
AND FOR THE MARYLAND DISTRICT.—SPECIAL TERM, JULY, 1848,  
JUDGES TANEY AND HEATH, PRESENT.

IN EQUITY.

OPINION OF THE COURT AS DELIVERED BY JUDGE TANEY.

*Maria Lowry vs. The Commercial and Farmers' Bank of Baltimore,  
and others.*

Communicated for the Bankers' Magazine.

In order to understand the points which arise in this case, it is necessary to state the facts somewhat in detail.

Talbot Jones of the City of Baltimore, died in the year 1834, having first duly made his last will and testament, and appointed his sons Samuel Jones and Andrew D. Jones his executors, to whom letters testamentary were granted in the same year.

The testator died possessed of a large amount of property of different kinds, and owned at the time of his death 282 shares of stock in the Commercial and Farmers' Bank of Baltimore, standing in his name on the books of the bank. The dividends upon this stock is the matter in dispute.

The testator by his last will bequeathed in trust for the complainant during her life, in the following words: "I order and direct that my executors hereinafter named, or the survivor or acting one of them, shall receive the dividends from time to time, declared and made payable on my stock in the Commercial and Farmers' Bank of Baltimore, in trust, that the said dividends shall be paid over or remitted by my executors, or the survivor, or acting one of them, to my sister Maria Lowry, now or lately of Dublin in Ireland, during her natural life, and

after her decease to her daughter Mary Lowry, should she survive her mother, during the life-time of the said Mary." And in the succeeding clause of the will, this stock together with other property, and also the general residue of his estate, is bequeathed to Samuel Jones and Andrew D. Jones and the survivor of them, and the heirs, executors, and administrators of such survivor, in trust, for sundry persons named in the will, in certain proportions therein mentioned, "subject to the devise of the dividends, (on this stock,) to his sister and daughter as aforesaid."

In 1839, upon a bill filed in the Chancery Court of the State, by some of the parties interested in the partition of the property bequeathed in the last mentioned clause of the will, a decree was passed directing among other things that Samuel Jones and Andrew D. Jones, should hold these 282 shares of stock in trust, to pay the dividends to Maria Lowry during her life, and after her death to be divided as mentioned in the decree. Mary Lowry the daughter, died before the decree was made.

In this proceeding, Maria Lowry, the complainant, was made a defendant, and the bill taken pro confesso against her, upon publication in the usual form. But process was never served upon her; nor did she appear or answer; nor had she any interest whatever in the suit. By the decree, Wm. B. Norman, Josiah Jones and Emily J. Albert are entitled to this stock upon the death of Mrs. Lowry;—and on that account it has been supposed to be advisable to make them parties in the case before the court.

After the death of Talbot Jones, Samuel Jones carried on business on his individual account in the name of Talbot Jones & Co.; and the transactions in the name of Talbot Jones & Co. mentioned in these proceedings, are the transactions of Samuel Jones, on his own individual account.

The stock in question continued to stand on the books of the Commercial and Farmers' Bank in the name of Talbot Jones until May 4th, 1842, when it was transferred to the Merchants' Bank by Samuel Jones—the other executor not joining in the transfer. This transfer, it appears, was made as security for a loan, obtained by Samuel Jones from the Merchants' Bank, on his own private account, under his mercantile style and name of Talbot Jones & Co.; and the money being afterwards paid, the stock was transferred to him by the bank, under the same name and style, on the 17th of June in the same year; and on the 20th of the same month, transferred by him as Talbot Jones & Co. to himself and Andrew D. Jones as executors of Talbot Jones.—On the 20th of August following, Samuel Jones signing his name as acting executor, again transferred this stock to the Merchants' Bank, which continued to hold it as a pledge for sundry loans of money, made from time to time, to Talbot Jones & Co., until the 11th of December, 1846, when it was transferred to a broker, and sold to pay a note which fell due on the 4th of that month, and had been protested for non payment. Talbot Jones & Co., that is to say, Samuel Jones stopped payment in September, 1846; and in January, 1847, petitioned for the benefit of the insolvent laws of this State. It is admitted on all hands that he is utterly insolvent, and unable to pay any part of the dividends due to the complainant.

After the last transfer to the Merchants' Bank, the dividends were either paid to its orders in favor of Talbot Jones & Co., or were drawn by the bank, and paid over to him, with the exception of the last dividend which fell due before the stock was sold. This is yet in the hands of the bank, except the sum of \$39 48, which has been paid out of it for taxes on the stock.

Notwithstanding the transfer of the stock in 1842, the amount of the dividends were regularly paid over to the complainant by the executors until November, 1845. But the dividend declared at that time has not been paid to her, nor any of those subsequently declared. She had no notice of the transfer of this stock until October, 1846, after the last of the loans above mentioned had been made by the Merchants' Bank. And on the 3rd of December following, (the day before the note became due,) she gave the bank notice of her claim.

When the stock was first transferred by Samuel Jones to the Merchants' Bank, a certificate was issued by the Commercial and Farmers' Bank in the following words:

COMMERCIAL AND FARMERS' BANK OF BALTIMORE,  
No. 707. May 4th, 1842.

This is to certify that the Merchants' Bank of Baltimore is entitled to two hundred and ninety-two shares in the capital stock of the Commercial and Farmers' Bank of Baltimore, on each of which thirty dollars have been paid; but which have since been reduced by Act of Assembly to twenty dollars a share—transferable at the said bank only, personally or by attorney.

292 shares.

TRUEMAN CROSS, *Cashier.*

This certificate was delivered by Samuel Jones to the Merchants' Bank when he obtained the first loan, and was re-delivered to him when the money was paid, and the stock transferred to Talbot Jones & Co. A similar certificate was again issued by the Commercial and Farmers' Bank, when the second transfer was made to the Merchants' Bank, and was retained by it, until the stock was transferred to the broker, to be sold as herein before mentioned.

This is a summary statement of the facts, so far as they are material to the decision of the case. It is very clear that the money due to the complainant has been grossly misapplied; and the question is whether she is entitled to relief against the banks, or either of them—Samuel Jones is undoubtedly liable. But as he is admitted to be insolvent, she can obtain no redress from him. As concerns the Merchants' Bank, we see no ground upon which it can be held liable, beyond the amount of dividends remaining in its hands. It does not appear that the bank when it accepted the pledge of this stock, or when it made its loans, had any reason to suppose that the stock had ever been held by Talbot Jones; or that it was transferred to the bank by Samuel Jones as one of his executors. In order to obtain the loan upon the pledge of this stock, Samuel Jones did nothing more than produce the certificate of the Commercial and Farmers' Bank, shewing that 282 shares of stock had been transferred to the Merchants' Bank. But the certificate did not shew by whom it had been transferred—nor to whom it had pre-



viously belonged. And according to the usual course of business, the presumption was that it belonged to Samuel Jones himself. The Merchants' Bank appear to have acted under that impression. For when the first loan was paid, and the lien of the bank thereby released, it transferred the stock to him individually, by the name of Talbot Jones & Co.; and not to the executors of Talbot Jones.

It is very true that the instrument of transfer upon the books of the Commercial and Farmers' Bank, shewed it to have been made by Samuel Jones in his character of executor; and, in general, a party must be presumed to have notice of every thing that appears upon the face of the instrument under which he claims title. But a transfer of stock cannot in this respect be likened to an ordinary conveyance of real or personal property. The instrument transferring the title is not delivered to the party. The law requires it to be written on the books of the bank in which the stock is held. The party to whom it is transferred, rarely, if ever, sees the entry, and relies altogether upon the certificate of the proper officer of the bank, stating that he is entitled to so many shares—that is to say, that so many shares have been transferred to him by one who had a lawful right to make the transfer. The case of *Davis vs. The Bank of England* is a strong one on this head. The three per cent. consolidated annuities, created by the English Government, were made payable at the Bank of England, and transferable at the bank in the manner pointed out by law. A large amount of these annuities which belonged to the plaintiff in that case, and stood in his name, were transferred under a forged power of attorney. The property did not pass by this transfer—yet the court held that subsequent bona fide purchasers from the fraudulent transferee, whose name had been registered in the books of the bank as the owner, were entitled to recover from the bank the amount of dividends falling due on these annuities—although the bank was also liable to the true owner of the stock, whose name had been forged.

In the case now before the court, the executor had a legal capacity to make the transfer, and the legal title to the stock passed to the Merchants' Bank. And as it paid a valuable consideration, and had no notice, actual or constructive, of any violation of trust, upon which the transfer could be impeached in equity, it had a right to sell the stock for the payment of the note for which it was pledged, and to make to the purchasers a valid title.

A different rule would render the right of every purchaser of stock in a bank insecure, or liable to doubt, and greatly impair its value. And would moreover, seriously disturb the usages of trade, and the established order of business in relation to this subject, in a manner highly injurious to the community. For purchasers always rely on the certificate of the bank in which it is held, as conclusive evidence of the ownership. Most commonly, the purchase is made through a broker, and the buyer does not know who is the seller, or who makes the transfer. The certificate of the bank tells him that he is entitled to so many shares; and he pays his money upon receiving the certificate without further enquiry. It would be unjust and inequitable to charge the stock in his hands with any equitable incumbrance or trust, how-

ever created, which was not known to him at the time he paid his money.

As respects the Commercial and Farmers' Bank, the claim of the complainant rests upon different grounds.

By the charter of the bank, (like that of every other bank incorporated by a law of this State) the stock is transferable at the bank only; and according to such rules as shall be established by the President and Directors. It cannot therefore be transferred without the supervision of the officer designated for that purpose by the bank. The corporation is thus made the custodian of the shares of stock, and clothed with power to establish rules sufficient to protect the rights of every one interested from unauthorized transfers. It is a trust placed in the hands of the corporation, for the protection of individual interests; and like every other trustee, it is bound to execute the trust with proper diligence and care; and is responsible for any injury sustained by its negligence or misconduct. Upon this principle, the bank was held liable for an improper transfer of its stock, in the case of the Farmers and Mechanics' Bank and others *vs.* Wayman and Stockett, decided in the Court of Appeals of this State, at Dec'r term, 1847; and the case of Davis *vs.* The Bank of England, herein before referred to, where Government stocks were made transferable on the books of the bank, was decided upon the same ground. And as the corporation appoint the officers before whom the transfers must be made, it is responsible for their acts, and must answer for their negligence or defaults, whenever the rights of a third person are concerned. *Hodges vs. The Planters' Bank of Prince George's County*,—7 Gill and Johnson, 306, 310.

Undoubtedly, the mere act of permitting this stock to be transferred by one of the executors, furnishes no ground for complaint against the bank; although it turns out that this executor was by the act of transfer converting the property to his own use. For an executor may sell or raise money on the property of the deceased in the regular execution of his duty; and the party dealing with him is not bound to inquire into his object, nor liable for his misapplication of the money. Such is the doctrine in the English courts, and would seem to have been the law of this State, previous to the Act of Assembly of Dec'r session, 1843, ch. 304;—and the transactions now before us took place before that act went into operation. But it is equally clear, that if a party dealing with an executor has at the time reasonable ground for believing that he intended to misapply the money, or is in the very transaction applying it to his own private use, the party so dealing is responsible to the persons injured. The cases upon this subject are numerous; and it would be tedious to refer to them particularly. They are, for the most part, collected and commented on in the cases of *McLeod vs. Drummond*, 17 Ves. 152. And of *Fields vs. Tchuffalen*, 7 John. Ch. Rep. 150.

It is very true that in the case before us, the pledge of stock was not made to the Commercial and Farmers' Bank; nor did it loan the money to the executor. But a party is not made liable because he pays or advances money for property of the deceased:—but because by doing so when he has reasonable ground for believing that the exe-

executor means to misapply it, he knowingly assists him in committing a breach of his trust. In this case, the rights of the stockholders, and of persons interested in its stock, were placed by law under the guardianship and protection of the bank, so far as concerned the transfers on their books. The stock could not be transferred—could not become the legal property of another person without the permission of the proper officers of the corporation. See 2 Wheaton, 393—*Union Bank vs. Laird*. And if these officers at the time of the transfer had reason to believe that the executor, by the act of transfer, was converting this stock to his own use in violation of his duty, then the bank by permitting the transfer knowingly, enabled the executor to commit a breach of his trust; and upon principles of justice and equity is as fully liable as if it had shared in the profits of the transaction. The object of the executor could not have been accomplished without the co-operation of the bank in permitting the transfer to be made on its books.

The question then is, had the bank at the time of the transfer actual or constructive notice that the executor was abusing his trust, and applying this stock to his own use?

The bank by its answer denies that it knew any thing of the contents of Talbot Jones' will, or of the bequest to the complainant, and there is no proof of actual notice. But it did know that this stock was the property of Talbot Jones at the time of his death, for it so stood upon its own books, and as the transfer was made by Samuel Jones as his executor, the bank must of course have known that Talbot Jones left a will, and although it may not have had actual notice of the contents of the will, yet as it was dealing with an executor in his character as such, the law implies notice. This is the doctrine in the English Courts of Chancery. 4 Mad. 190. And the rule appears to stand upon still firmer ground in this State. For here it is settled, that every person has constructive notice of a deed, for real or personal property, where it is duly registered according to law. In England the weight of authority is perhaps to the contrary;—now in Maryland, every will of real or personal property is required to be recorded; and if third persons are bound at their peril to take notice of a registered deed when there is nothing to lead them to inquiry, the obligation must be still stronger upon one who is dealing with an executor concerning the assets of the deceased. For his character of executor, of itself, gives actual notice that there is a will open to inspection upon the public records.

The bank therefore was bound to take notice of the will when this transfer was proposed to be made by one of the executors. It was negligence in the bank not to examine it; and if it was ignorant of its contents, and of the specific bequest of this stock, it was its own fault. It must be dealt with, as if it had possessed actual knowledge that the stock in question was specifically bequeathed by the testator, and was not by the will to be transferred, or in any manner disposed of by the executors during the life-time of the complainant; and that it was the duty of the bank during that time to pay the dividends to them in trust for the complainant; undoubtedly this stock, although thus specifically bequeathed, was yet liable to be sold if necessary for the payment of



the debts of the testator. And if the bank did not know, or had no reasonable ground for supposing that the executor was misapplying the assets, it would not be responsible, notwithstanding its implied knowledge of the will.

But when the second transfer (under which the stock was finally sold) was made to the Merchants' Bank, the circumstances then within the knowledge of the Commercial and Farmers' Bank were abundantly sufficient to satisfy any reasonable mind, that Samuel Jones was using this stock for his private purposes. For this transfer took place on the 20th of August, 1842. The bank at that time knew that Talbot Jones had been dead eight years—that he died rich—and that the time had long before elapsed within which the law of Maryland requires an estate to be settled up by an executor or administrator. It appeared by their own transfer books, that on the 4th of May preceding, the same stock had been transferred by Samuel Jones to the same bank, the other executor, although he resided in town, not being a party to the transfer; that on the 17th of June in the same year, it was retransferred by the Merchants' Bank to Samuel Jones in his individual right, under the name of Talbot Jones & Co., and by him restored to the estate of the testator a few days afterwards by a transfer to himself and the other executor. And when after these transactions, all appearing on the books of the bank, he came again without his co-executor to transfer it a second time to the Merchants' Bank, could the officers of the Commercial and Farmers' Bank doubt the purposes for which this second transfer was made? Familiar as they must have been with the usual course of business in banks, and the usage of loaning money upon hypothecation of stock, could they have failed to see that Samuel Jones was misapplying the assets of the testator, and pledging this stock for his own individual benefit? Indeed, the bank in its answer does not deny it, but on the contrary, impliedly admits it. For the answer states that if the President had known that the transfer was about to be made by Samuel Jones, he would have prevented it. Now the bank is equally chargeable for the neglect or omission of duty by the officer to whom it had committed the superintendence of the transfers of stock, as it is for the neglect or omissions of its President; and such officer is also equally chargeable with implied notice of the will of Talbot Jones, and equally bound to refuse the transfer when he saw that Samuel Jones was using this stock in violation of his trust as executor. And if the circumstances above mentioned were not sufficient to satisfy the bank officer beyond all reasonable doubt, that he was so using them, yet they were certainly sufficient to create strong presumptions against him, and to make it the duty of the officer to inquire before he allowed the transfer to be made; and if he neglected to make the inquiry, when the fact could have been so easily ascertained, and either from negligence or design, without inquiry, enabled the executor to convert the stock to his own use, the bank is responsible for this negligence.

There is another circumstance also, which ought of itself to have created strong doubts in the mind of the transfer officer of the bank. By the Act of Assembly of Maryland of 1798, ch. 101, sub ch. 8, sec. 3,



it is in the power of the executor to procure an order of sale from the Orphans' Court whenever a sale shall be necessary. It is true that in the case of *Allender vs. Riston*, 2 Gill & John. 86, the opinion of the court would seem to have been, that notwithstanding the Act of Assembly, an assignment by an executor for his own debt would be valid against the creditors of the estate unless there was collusion with the executor. But the case was not decided on that point; nor does the opinion of the court apply to an assignment of property specifically bequeathed; nor was that point in the case; or raised in the argument. But however that question shall be ultimately decided, it may we think be safely asserted, that, in practice, under this law, there has been no instance in Maryland since its passage, in which an executor acting fairly and bona fide, has undertaken to sell or pledge personal property specifically bequeathed, without a previous order from the Orphans' Court. And the proposition of Samuel Jones, one of the two executors (the other not uniting in the transfer) to transfer this stock, so long after the death of a wealthy testator, without first obtaining an order from the court to justify him, must have satisfied any man of common experience in business, that he was grossly abusing his trust. In South Carolina, under a law very similar in its provisions, it has been decided that the sale of such property by an executor is void, unless made by the authority of the court. 4 Dess. 522. And we think there are strong reasons to support that decision.

The cases referred to in relation to transfers of government stocks by the Bank of England, do not apply to this case. They are collected in 1 Danl. Ch. Practice, 202, margin: and they all turn upon the meaning and policy of the Acts of Parliament, by which the management of the public stocks and annuities were given to the Bank of England. It is with reference to the duties imposed by these Acts of Parliament that the court say, that the Bank of England is not bound to take notice of a trust affecting public stock standing on its books, and must look only to the legal estate. But this opinion cannot influence the decision of this case, because the privileges and obligations of the bank must be determined by its own charter, differing widely in its terms and its object from the English Acts of Parliament. Certainly none of the English cases convey the idea, that upon general principles of law, a bank is not bound to notice a trust of its own stock, and must look only to the legal estate. For a bank or any other corporation is bound by the same obligations, moral and legal, (where the rights of third parties are concerned) that apply to the case of an individual, unless it is explicitly exempted by law. And if an individual who confederates with an executor, and assists him in defrauding his cestui que trust, is liable to the party injured, there can be no reason why a bank, which knowingly enables an executor to convert the property of the cestui que trust to his own private use, should not be equally responsible. And the difficulties to which the Bank of England would be subjected, if bound to take notice of trusts in the Government stocks, and which are strongly stated by the Chancellor in the case of *Hartiga vs. The Bank of England*, 3 Ves. 58, are altogether inapplicable here. For putting aside the immense difference in amount and character, between

the Government stock of England and the stock of this bank, a Chancery suit can never be necessary in this State for the protection of the bank, when stock bequeathed in trust is required to be sold for the payment of debts: because under the Act of 1798, an order for the sale by the Orphans' Court, which could at any time be obtained in a summary way, without delay and without expense, would protect the bank from all responsibility, and occasion no delay or embarrassment in the payment of debts and settlement of the estate.

The case then is this. The will of the testator in effect directed that this stock should not be sold or transferred during the life-time of the complainant; and the dividends during that time should be received by his executors, and paid over to the complainant. One of these executors proposes to transfer this stock, in order to raise money on it, for his private purposes. And the officers of the Bank knowing the purpose for which it was transferred, or with circumstances before them sufficient to create a strong presumption that such was the intention of the executor; and therefore, sufficient to put them on inquiry—permit the transfer, and certify that the transferee is entitled to the stock. Relying on this certificate, the Merchants' Bank was induced to loan its money upon it; and having no knowledge that it ever belonged to Talbot Jones, or had been transferred by his executor, the stock cannot be followed in its hands, or the hands of those to whom it afterwards sold it, and charged with the trust created by the will. The executor is insolvent; and there is therefore no effectual remedy against him. Ought the loss to be borne by the complainant, who has committed no fault, and been guilty of no negligence, or by the Commercial and Farmers' Bank?—The established principles of equity seem to require that the loss should be borne by the party by whose negligence or misconduct it was occasioned. The bank not only enabled the executor to perpetrate the wrong by permitting the transfer, but co-operated in it, by certifying that the title of the transferee was good. Justice therefore requires that it should bear the loss.

The only remaining question is the nature of the relief to be administered by the court. In order to do substantial justice, it is evident that the decree must be directly against the bank, as Samuel Jones is admitted to be utterly insolvent.

The complainant's claim is for dividends only. She has no property in the stock, which belongs to the defendants William B. Norman, Josiah Jones, and Emily J. Albert, in certain proportions, who will be entitled to the dividends after the death of the complainant. Yet if there was no difficulty on the score of jurisdiction, the court would, according to the practice of courts of Chancery, proceed to dispose of the whole matter in dispute, and decree as to the stock, and the balance in hand in the Merchants' Bank, as well as the dividends. But the jurisdiction of this court is founded upon the fact that the complainant is an alien. It has no jurisdiction in the controversies between the defendants, as they all reside in Maryland. Undoubtedly, if the case of the complainant could not be disposed of, and relief administered to her without deciding upon the rights of all the parties before the court, we should necessarily dispose of the whole matter, and decree as to the

stock, as well as the dividends. But the rights of the complainant may be adjusted without interfering with the right of the claimants of the stock, or with the balance arising from its sale, which yet remains in the hands of the Merchants' Bank. For it is immaterial to the complainant whether the stock is replaced or not. All that she has a right to demand is, that the amount of dividends on 282 shares of stock, which she has lost by the negligence or misconduct of the officers of the bank, shall be paid to her, as if the stock had never been transferred. The jurisdiction therefore to decree in the controversy, as to the stock, cannot, we think, be maintained.

We have said nothing of the decree of the Chancery Court of Maryland, which has been filed in the case. Neither of the banks were parties to the proceedings in that case: nor do they appear to have had notice of it; neither was the complainant a necessary party. She had no interest in the property to be divided; and it was not proposed to change or modify in any respect the trust in her favor. And the decree passed by the court leaves her interests precisely where they stood before.

In regard to the stock itself, the decree for partition has in a material respect changed the character of the trust. For the two executors, instead of holding it in undivided portions for the cestui que trusts, named in the will, hold under the decree, as trustees for those to whom it has been specially assigned in severalty. And it may be doubted whether this circumstance does not form an additional objection to the jurisdiction of this court in regard to the stock: and whether Samuel Jones and Andrew D. Jones ought not to be considered as trustees appointed in that respect by the Court of Chancery, to hold this stock in trust for the cestui que trusts named in the decree; and therefore responsible for their conduct to that court, rather than to a court of the United States. It is, however, not necessary to examine this question, because it does not affect the dividends bequeathed to the complainant, and certainly can form no objection to the jurisdiction in her case.

It appears from the evidence, that the stock sold for more than enough to pay the note for which it was hypothecated; and that besides the surplus arising from this sale, one of the semi-annual dividends upon these 282 shares remains in the hands of the Merchants' Bank, deducting therefrom the amount paid by the bank for taxes on this stock. The amount of the dividend remaining in the hands of the Merchants' Bank, subject to the deduction aforesaid, belongs in equity to the complainant, and for that amount she is entitled to a decree against the Merchants' Bank. For the residue of the dividends due to her, and remaining unpaid, the Commercial and Farmers' Bank must answer.

The case must be referred to a master, to state an account according to this opinion, preparatory to a final decree.

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This case came on for trial at a special session of the Circuit Court for the District of Maryland, held in July, 1848.

Counsel for the complainant, J. Mason Campbell, Esq.; and for the defendants, Dobbin & Talbott, J. V. L. McMahon, Brown & Brune, John Glenn, Samuel J. Donaldson and Reverdy Johnson, Esquires.

## UNITED STATES' STOCKS.

## THEIR LIABILITY TO TAXATION BY THE SEVERAL STATES.

Communicated for the Bankers' Magazine.

My examination of the cases relating to the power of the States to tax in respect of the stock loans of the United States, I submit with pleasure, and shall be glad to receive any further knowledge on the subject.

In the case of *McCulloch vs. State of Maryland*, 4 Wheat. 317, the State of Maryland by an Act passed 11th Feb., 1818, levied a stamp tax on "*all banks in the State not chartered by the Legislature*," and required all notes of such banks to be issued on *stamped* paper, and inhibited under penalties the *circulation* of the notes of such banks, except upon stamped paper, and after elaborate arguments on both sides, it was decided by the Supreme Court of the United States, that this tax was a *political* tax, levelled at the Bank of the United States, and could not under the Constitution of the United States, be levied on the notes of the Bank of the United States, because it would be a restraint on the necessary and proper exercise of the powers of the United States, repugnant to the exercise of its supremacy, and that no single State could tax, control, or impede this banking franchise of circulation which it could not create.

In the case of *Osborne vs. Bank of the United States*, 9 Wheat. 738, the tax was levied on the Bank of the United States, specifically by the State of Ohio, and the effects were seized under order of the Auditor of Ohio, by distraint, and it was again decided that this tax was unconstitutional. In the case of *Plouden Weston vs. City Comm'rs of Charleston*, 2 Pet. S. C. R. 449, there was a tax specifically levied by statute of the city, on the *stock loan* of the United States *as such*, and it was decided that a tax so laid was in restraint of the power of the General Government to borrow money, and unconstitutional; such also is the case of *Palon vs. City Council, &c.*, 1 Nott & McCord, 527.

A similar case is that of *Commonwealth vs. Morrison*, 2 Atk. Marsh's Kentucky Rep. 75.

It appears to me however that none of these cases affirming the decision in *McCulloch vs. State*, 4 Wheat. 317, have overruled the opinion of Ch. J. Marshall, "that the State can tax the real estate of the Bank of the United States, in common with other real estate in the State, and can tax its citizen by an equable tax *in respect* of the worth of his interest in the joint-stock of the Bank of the United States, in common with his other property." And it is difficult to reconcile with this decision, an impression prevalent in the country, that a citizen cannot be taxed by his State in *respect* of his interest in the *stock loans* of the United States, in common with his other estate, and that he has in this view an exemption beyond what he could have as a joint-holder of capital stock of the Bank of the United States.

A mode is said to prevail in Boston to ascertain the wealth of the citizen, by the assessors assuming him worth such sum as they believe him to be, and at this he is rated, unless he under oath deny the correct-



ness of the estimate, and then sums are assumed successively, until he fails under oath to deny the limit,—and how, under this system, can it matter whether the citizen's worth was of real estate, chattels, or United States' Bank Stock, or United States' Loan;—nor can this be held in any justice a restraint of the franchises of the General Government. I am aware that the Act of Maryland of 1841, section 1, chapter 23, exempts specifically in terms, the United States' stock loans from assessment, and as the Acts on this subject were intended to introduce the system adopted in Boston, the exemption appears singular, unless it is based on some decision of the Courts of the United States, with which I am unacquainted; and even if it be so, its conformity to the Constitution and Bill of Rights of this State might well be denied, as the 13th sec. of our Bill of Rights declares that "taxes shall be laid on *every person* (except paupers) in the State, *in proportion, according to his actual worth* in real or personal property within the State," for the support of government or benefit of community.

I shall be glad to learn how this exemption, tending to favor the capitalist, can be reconciled with the Bill of Rights of this State, or with the decision of Ch. J. Marshall in 4 Wheat. 317, *M. C. vs. State*.

J. S. M.

From the New York Courier and Enquirer.

A paragraph was inadvertently inserted under our money head of Saturday night, expressing surprise at the general impression that prevails, that United States' Stocks are exempt from taxation, and declaring very emphatically that such impression was erroneous.

Our surprise certainly was great at seeing this paragraph, as we had before expressed, and still entertain a decidedly opposite opinion; and for the reason, that the Supreme Court of the United States have decided that Stocks created by the United States are not liable to taxation by any State government nor any corporation within any State government.

The case arose under a tax imposed by the City Council of Charleston, S. C., upon U. S. stocks or loans. The opinion of the Supreme Court of the United States was delivered in 1829 by Chief Justice Marshall. In that opinion he lays down clearly the right of the General Government under the Constitution to borrow money; and therefore rejects any interpretation which would authorize every State and every corporation in the Union, which possesses the power of taxation, to burthen at their discretion the exercise of the borrowing power of the General Government.

"If," says this opinion, "the right to tax exists, it is a right, which in its nature acknowledges no limits. It may be carried to any extent within the jurisdiction of the State or corporation that imposes it, which the will of such State and corporation may prescribe. A power which is given by the whole American people for their common good, which is to be exercised at the most critical period for the most important purposes; on the free exercise of which the interests certainly, perhaps the liberty of the whole may depend;—may be burthened, impeded, if not arrested, by any of the organized parts of the confederacy. \* \* \*

The power of taxation is one of the most essential to a State, and of

the most extensive in its operations. The attempt to maintain a rule which shall limit its exercise, is undoubtedly among the most delicate and difficult duties, which can devolve on those whose province it is to expound the supreme law of the land in its application to the cases of individuals. This duty has more than once devolved on this court. In the performance of it, we have considered it, as a necessary consequence, from the supremacy of the government of the whole, that its action in the exercise of its legitimate powers should be free and unembarrassed by any conflicting powers in the possession of the parts; that the powers of a State cannot rightfully be so exercised as to impede and obstruct the free course of those measures which the government of the United States may rightfully adopt.

In the case of *McCulloch vs. the State of Maryland*, this subject was thoroughly argued. It was discussed at the bar in all its relations, and examined by the court with the utmost attention.

The conclusion was, that "all subjects over which the power of a State extends are objects of taxation; but those over which it does not extend, are upon the soundest principles exempt from taxation."

The sovereignty of a State extends to every thing which exists by its own authority, or is introduced by its permission—but not to those which are employed by Congress to carry into effect powers conferred on that body by the people of the United States. "The attempt to use the power of taxation on the means employed by the government of the United States in pursuance of the Constitution is in itself an abuse, because it is the usurpation of a power which the people of a single State cannot give."

"The States have no power by taxation or otherwise to retard, impede, burthen, or in any manner control the operation of the Constitutional laws enacted by Congress to carry into execution the power vested in the General Government."

We retain the opinions which were then expressed. A control made by the government in the exercise of its power to borrow money on the credit of the United States, is undoubtedly independent of the will of every State, in which the individual who lends money may reside; and is undoubtedly an operation essential to the important objects for which the government was created. It ought, therefore, on the principles settled in the case of *McCulloch vs. the State of Maryland* to be exempt from taxation, and consequently from being taxed by corporations deriving their power from States."

Nothing can be clearer nor more explicit than this language—and as the decisions of the Supreme Court of the United States are the law of the land, it matters little what may be the opinions of this counsellor or that counsellor feed *ad hoc* that States or Corporations *may* tax United States' Stocks.

A question is indeed made whether, as included in the general amount of *personal property*, United States' Stocks may not be reached by a general tax on personal property—but it seems fair reasoning and applicable in this case, that what cannot be done directly cannot be afforded indirectly, and consequently that if United States' Stocks cannot be taxed *eo nomine*, they cannot be any more rightfully taxed by classing them under another name.

## BANK OF VIRGINIA.

EXTRACTS FROM "THE HISTORY OF VIRGINIA, BY ROBERT R. HOWISON." PUBLISHED BY DRINKER & MORRIS, RICHMOND, AND WILEY & PUTNAM, NEW YORK.—1848.

January, 1804. It was at this time that the Bank of Virginia was first chartered and established. The expediency of this step had long been discussed, and was generally admitted. The State had been flooded with bank notes from the North, and though their character was often more than doubtful, yet the want of gold and silver, and the advantages of these notes for currency, introduced them into general circulation. In December, 1785, the old Bank of the United States had been authorised to establish one or more offices in Virginia, and to charge six per cent. on its loans; but its issues had not long supplied an acceptable currency. The evils arising from private bank notes had been so great, that the Legislature had positively forbidden them; and the demands of trade required that Virginia should no longer be behind the age in providing good investment for capital. The Act originally establishing the Bank of Virginia, provided that its stock should be one million five hundred thousand dollars, to be divided into fifteen thousand shares of one hundred dollars each; but by an Act passed ten years afterwards, its stock was increased one million of dollars, in ten thousand shares, of one hundred dollars each. Under the first law, the State was to subscribe for three thousand shares, and the whole amount of three hundred thousand dollars was to be loaned by the bank to the State, at four per cent. per annum interest. Under the last Act, the State was to retain two thousand shares, and the bank pledged itself to loan to her, when required, three hundred and fifty thousand dollars, at seven per cent. interest. The bank was clothed with regular corporate powers, and was authorised to establish branches in sundry towns in Virginia. Though its notes could not be made a legal tender for debt, yet the State sought to give them every sanction in her power, by making them receivable for public dues, and by depositing all of her inactive funds in the vaults of the bank.

Thus the system went into operation, and the subsequent favor bestowed on it by the Legislature, induces us to suppose that it was well managed. Yet very few years had elapsed before we read complaints and remonstrances in the public prints. Writers over feigned signatures began to talk of partiality and intriguing, and injury to public manners and morals. The salaries of the officers were said to be exorbitant, and were contrasted with those of the judges. Why should the president of the bank receive twenty-five hundred dollars, and the cashier three thousand, while a learned judge received but fifteen hundred? And these writers complain bitterly of inequality in discounts. They said the rich got all and the poor none. They drew a picture of a man coming from the country to live in the metropolis. "He is not long a resident of the city, before the most important traits in his character are strictly scrutinized. Is his paper good at the bank? says one;

does he keep a carriage? says another; will he take a hand at *loo*? says a third. A stockholder says, No, he is an old soldier" of the Revolution, and therefore poor, and not to have accommodation at bank. These public censors said further, that no discount would be granted, unless the maker or endorser of the note lived in Richmond; that the Bank was despised, hated, cursed. "Excepting the murders in cold blood which have been perpetrated on the defenceless inhabitants of India, the rapacity of that monstrous mass of aristocracy, the East India Company, has been fully equalled by the management of the corporation of the bank."

We have reason to believe that all of these complaints were founded either in ignorance or malice. It has long been conceded, that the salaries of the bank officers are meagre rather than exorbitant, when compared with the responsibility endured, and the services rendered; and that if these salaries contrasted disproportionately with those of judges, the remedy was in raising the latter, rather than reducing the first. And experience has farther proved, that there will always be found a certain class in society, ready to rail at a moneyed institution. No bank properly conducted, will lend its funds, unless upon the security of at least *one* man, whose unincumbered property will more than repay the loan. To act otherwise, would be a departure from the only principles on which banking operations can be safely managed. But the industrious poor man will always obtain by his *character*, the aid of a name representing property, and will thus secure a loan. Men who have neither property nor character, neither deserve nor obtain loans; and hence complaints, slanders, and dark hints of intrigue, and pride, partiality and corruption.

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*Finances of the State.*—Like the other States of the Union, Virginia came out of the Revolutionary War embarrassed by a huge debt for unredeemed paper money. She was gradually relieved by her own exertions, and by the working of the funding system, established during the first presidential term. Since that time, though she has experienced financial vicissitudes, she has never suffered under the imputation of bad faith in her monetary duties. She *has never repudiated*. She looks upon such conduct with unmingled abhorrence. She has even verged to the other extreme. She has thought it better to remain poor and inactive, rather than endanger her credit by contracting enormous debts for purposes of internal development.

On the 30th September, 1845, the State had productive stocks and funds amounting to 6,595,844 dollars, and nearly the same amount in stocks and funds *unproductive*, because generally invested in improvements not completed, or complete but not profitable. The whole amount of State debt was 7,384,794 dollars, requiring provision for an annual interest of 451,746 dollars. Besides this interest, which is regularly paid, a sinking fund of nearly 6,000 dollars, is annually applied to the principal.

## CANAL BANK OF ALBANY.

REPORT OF THE COMMITTEE UPON THE FAILURE OF THE CANAL  
BANK OF ALBANY —[Continued from page 199.]*Examination of J. L. CREW, Teller, continued.*

Q. Have you ever taken any money from the bank and substituted for that money your father's check?—A. I have.

Q. How much?—A. I do not know the exact amount.

Q. Is it thousands of dollars?

A. I should not think it was thousands of dollars.

Mr. White presented him a check for \$4,280, dated July 1st, 1849, and asked, Did you give your father the money, or what was equivalent to money, and substitute this check for it as cash?

A. The check is a renewal of an old check for a similar amount which has been in the drawer for about a year. I don't know what was given for that old check, it was the money or its equivalent, the property of the bank.

Q. Had you power, and from whom, to make substitution?

A. I had such power from the Cashier, he sanctioned it, he told me I might do it.

Q. I want to know where the account is, of the interest received for this money. If the bank ever received any interest from it.

A. The bank has received interest, the account is on a book that is in the vault, called a book of "Incidental Expenses." Witness produced a small book bound in Russia sheepskin, and says there is the book upon which the receipts of interest are entered as received, but nothing said about items. This book comes down to August, 1847; another similar one is produced commencing July 11, 1848. He says there was one book which he cannot find; the last I saw of that book I placed it in the cupboard. The key is always in the cupboard. (Mr. McMullen says the cupboard has been barricaded with books ever since the 11th, and has not been open.)

Q. What was the amount of the balance of incidental expenses on the book up to 1st March last, and when was it charged to profit and loss?

A. Amount \$36,612 08, and it was charged to profit and loss July 10, 1848.

Q. Has the balance on the last book accrued since last March?

A. Yes. The balance charged to profit and loss 1st of March, of \$36,612 08, the items are not charged on any book except that which is lost.

Q. Did you ever discount notes for William Monteath at different times, and receive premiums of five dollars and ten dollars?

A. No Sir. I never did to the best of my recollection.

Q. Did you ever discount notes for him?

A. Not to the best of my recollection.

Q. How is a check signed by J. L. Crew, yourself, for \$7,319, dated January 1, 1848—the January erased and July inserted, with the sand

yet on the July. Explain what was given for that check; and I want to know why it was changed from January to July, and when?

A. I could not specify for what it was given. The value was given, either money or some indebtedness I have at the bank. It was altered from January to July for renewal, and to save writing a new check; when it was done I don't know.

Q. When was the interest paid, or did you not pay interest?

A. I can't tell when the interest was entered, or whether it was entered.

Q. Then there was none?

A. I do not know; I presume interest was paid.

Q. How is a check of George Jones, dated the 15th of August, 1848, for \$500, payable to J. L. Crew; what was that for?

A. For renewal of an old check; my father had the money of the Canal Bank for this \$500 check, for which the Canal Bank held this check of George Jones', which my father is to pay. I think the transaction was sanctioned by the Cashier. I think he was aware of it and did not object to it.

Q. There are two checks—one signed by J. L. Crew, dated 1st December, 1848, for \$1,500; another signed J. L. Crew, for \$525, dated January 7, 1848; what was given for those checks?

A. My father received through me, the \$1,500, for which I deposited those checks; and I received the other and deposited my own check in the same way.

Q. How is a note drawn by A. Newburgh, for \$100, dated June 19, 1848, payable 45 days, endorsed by J. L. Crew; was that note discounted by you?

A. That note, with, I think, the interest, and \$155 07 was received for payment on the 19th of June, for J. Fridenheious' note for \$255 07, payable on the 26th day of July. I received nothing for it. I discounted this note for that purpose. I don't think the Cashier knew of this. All my checks in the bank are for moneys I took, and deposited checks in lieu. I am ready to pay all I owe the bank, and pay father's also. The bank is indebted to me sufficient to pay all I owe. They owe me on checks and claims I have against them.

Q. Did you yesterday go to a number of the customers of the bank, and say to them that you would purchase their demands against the Canal Bank, as you wanted to make it an offset to a demand the bank had against you, and if you succeeded, then you would pay them for the demand so assigned?

A. I went to them and desired to purchase their claims against the Canal Bank, for the purpose of an offset against my debt, due by me to the Canal Bank, and without any promise of any further remuneration.

Q. Did you buy any?—A. I have; from

|                                           |                               |          |
|-------------------------------------------|-------------------------------|----------|
| Washburn & Co., . . . . .                 | \$3,000 00—I gave only \$1 00 |          |
| Washburn & Co., . . . . .                 | 5,000 00                      | do. 1 00 |
| Washburn & Co., . . . . .                 | 1,191 00                      | do. 1 00 |
| Wm. Monteath & Co., the balance . . . . . | 820 00                        | do. 1 00 |
| George Jones, 8 or 10, or . . . . .       | 1,200 00                      | do. 1 00 |
| Wilber & Selkirk, . . . . .               | 700 00                        | do. 1 00 |
| Adam Aldrich, about . . . . .             | 2,700 00                      | do. 1 00 |

|                                                      |           |                     |
|------------------------------------------------------|-----------|---------------------|
| S. M. Parke, . . . . .                               | \$ 327 93 | I gave only \$ 1 00 |
| William H. Bogart, . . . . .                         | 400 00    | do. 1 00            |
| Van Heusen & Charles, check on Canal Bank, . . . . . | 646 64    | do. 1 00            |
| Canal Bank check given same for \$6,000, on Pe-      |           |                     |
| poon, Hoffman & Co.                                  |           |                     |
| John A. Sickles, . . . . .                           | 124 00    | do. 1 00            |
| M. Schunter, . . . . .                               | 375 38    | do. 1 00            |
| Joseph Erie & Co., . . . . .                         | 375 00    | do. 1 00            |
| Daniel Cole, . . . . .                               | 400 00    | do. 1 00            |

I took assignments of these demands yesterday and to-day.

Q. Is the Canal Bank insolvent?—A. I do not know, sir.

Q. From what you know of its concerns do you believe it to be solvent or insolvent?

A. I should think the bank solvent to the best of my knowledge.

Q. Do you think it has available assets sufficient to pay all its debts, including the deposits, and the stock originally paid in, and the bills in circulation?

A. No. But I believe it is able to pay its deposits and circulation. I do not know the amount of deposits. The circulation was stated yesterday at \$196,000.

Q. Did you know as much about the bank affairs, as to its solvency, yesterday as you do to-day?

A. In making my estimates I count the amount due from Paige, Joy, Croswell, and my father, to be good.

Mr. White asks, I have the checks here, one of James Van Amee for \$700, payable to the order of John T. Crew, on the 1st of October, 1848; one drawn by Ira Harris, payable January 1, 1849; one check \$500 of M. S. Wadley & Co., dated July 1, 1848; did you count them as money?

A. I did; they are the same as the George Jones check; they are for money loaned to my father.

Q. What amount of checks had you in your drawer of the bank similar to those last mentioned;—that is taken for money loaned to individuals, who deposited them?

A. I should think sixty or seventy thousand dollars.

Q. What amount of said checks were taken by you in that way as cash, without the knowledge of the board of directors except the Cashier?

A. They were all so taken; I don't know that the board of directors knew it.

Q. Did the board of directors while you were in the bank make it a practice to examine the affairs of the bank previous to declaring the semi-annual dividend?

A. They did not; they did make a few such examinations since I have been in the bank, which is 13 years; I don't think they have made one within two or three years past.

Being asked by Mr. White, he says, there was a package of \$8,000 of the Canal Bank bills sent to some one on the Erie Railroad; that was within ten days of the present time. The package was delivered to Mr. Marlett, a contractor on the Erie Railroad I believe, for which I received his check, which check is charged to him on the ledger; that must have been on the 5th of July.



Q. What credit had Marlett in the bank that you should charge him \$8,000?

A. The check was erroneously charged. He was to remit drafts, as I understood, of the New York and Erie Railroad Company. This money was given to Marlett by the direction of the Cashier. I paid Mr. Plumb of the New York State Bank on the morning of the failure in Canal Bank bills, about \$5,300, altogether by the direction of the Cashier.

On the afternoon of the 10th of July the circulation was \$172,000, at about 3 o'clock and after 3 o'clock, I think I paid the Mechanics' Bank about \$1,900, the whole then in circulation was about \$179,000 or \$180,000.

|                                           |                        |
|-------------------------------------------|------------------------|
| Issued registered and unregistered, . . . | \$248,972 00           |
| Handed White & McMullen, . . . . .        | 59,836 99—\$189,135 01 |
| Circulation Monday afternoon, . . . .     | 172,000 00             |
| Plumb " " . . . . .                       | 5,300 00               |
| Mechanics' Bank, " . . . . .              | 1,991 00—\$179,291 00  |

\$9,844 not accounted for.

But witness says he sent a package of \$8,000 to Pepoon, Hoffman & Ten Broeck about the 14th or 15th of June, which was not charged to them till the 10th of July; he was directed to do so by the Cashier.

### BANK STATISTICS.

*Recapitulation of the Resources and Liabilities of the Banks of Ohio, from official Reports, May, 1847, and August, 1848.*

| RESOURCES.                                      | May,<br>1847. | August,<br>1848. |
|-------------------------------------------------|---------------|------------------|
| Notes and Bills Discounted, . . . . .           | \$10,936,700  | \$12,128,300     |
| Specie on hand, . . . . .                       | 2,026,500     | 2,732,400        |
| Notes of other Banks, . . . . .                 | 1,081,600     | 1,268,300        |
| Balances due by Banks and Bankers, . . . . .    | 519,900       | 789,200          |
| Eastern Deposits, . . . . .                     | 1,262,100     | 1,550,000        |
| Bonds deposited with State Treasurer, . . . . . | 1,171,200     | 1,717,000        |
| Other Resources, . . . . .                      | 1,249,000     | 955,200          |
| Total Resources, . . . . .                      | \$18,247,000  | \$21,140,400     |

| LIABILITIES.                           | May,<br>1847. | August,<br>1848. |
|----------------------------------------|---------------|------------------|
| Capital, . . . . .                     | \$5,071,700   | \$6,424,000      |
| Circulation, . . . . .                 | 7,281,000     | 7,931,400        |
| Balances due to other Banks, . . . . . | 1,051,800     | 649,200          |
| Individual Deposits, . . . . .         | 3,356,800     | 4,200,000        |
| Bonds with State Treasurer, . . . . .  | 806,000       | 1,037,600        |
| Other Liabilities, . . . . .           | 679,700       | 898,200          |
| Total Liabilities, . . . . .           | \$18,247,000  | \$21,140,400     |

The following Tables will show the condition of each of the fifty-five Banks of Ohio, in August, 1848.



## BANKS OF OHIO.—RESOURCES, August, 1848.

| INDEPENDENT BANKS.                          | Bills Discounted. | Specie.  | Bank Notes. | Bank Balances. | Eastern Deposits. | State Bonds. | Real Estate. | Total Resources. |
|---------------------------------------------|-------------------|----------|-------------|----------------|-------------------|--------------|--------------|------------------|
| Bank of Geauga, . . . . .                   | \$52,207          | \$27,496 | \$12,815    | \$3,556        | \$17,610          | \$62,000     | \$5,000      | \$190,686 88     |
| Canal Bank of Cleveland, . . . . .          | 29,829            | 7,702    | 3,588       | 3,457          | 29,707            | 53,803       | 1,927        | 133,925 96       |
| City Bank of Cleveland, . . . . .           | 74,140            | 24,176   | 34,588      | 2,397          | 33,878            | 73,549       | 3,164        | 247,504 70       |
| City Bank of Columbus, . . . . .            | 381,909           | 46,087   | 23,891      | 81,643         | 49,486            | 239,150      | 303          | 877,708 75       |
| City Bank of Cincinnati, . . . . .          | 29,084            | 7,922    | 4,081       | 10,188         | 67,205            | 53,700       | 1,937        | 183,601 05       |
| Commercial Bank of Cincinnati, . . . . .    | 367,464           | 19,454   | 26,253      | 13,361         | 42,207            | 54,000       | .            | 526,820 07       |
| Dayton Bank, . . . . .                      | 231,346           | 52,475   | 13,054      | 5,041          | 10,303            | 179,050      | 936          | 492,862 52       |
| Franklin Bank of Zanesville, . . . . .      | 117,477           | 25,407   | 27,190      | 12,624         | 21,151            | 116,350      | 341          | 327,618 92       |
| Sandusky City Bank, . . . . .               | 102,236           | 10,366   | 17,718      | 19,070         | 8,999             | 53,066       | 340          | 212,424 45       |
| Seneca County Bank, Tiffin, . . . . .       | 89,327            | 14,850   | 20,399      | 1,064          | 17,916            | 70,000       | 247          | 214,774 12       |
| Western Reserve Bank, . . . . .             | 141,243           | 44,011   | 9,930       | 5,200          | 6,159             | 109,225      | 5,900        | 322,150 00       |
| BRANCHES OF STATE BANK.                     |                   |          |             |                |                   |              |              |                  |
| Akron Branch, . . . . .                     | \$179,735         | \$60,766 | \$27,195    | \$853          | \$14,311          | \$20,000     | \$3,850      | \$314,970 80     |
| Belmont Branch, Bridgeport, . . . . .       | 83,507            | 31,322   | 12,908      | 9,341          | 8,894             | 10,000       | 1,597        | 158,405 13       |
| Chillicothe Branch, . . . . .               | 456,851           | 106,708  | 26,047      | 10,747         | 69,291            | 36,000       | 5,000        | 710,921 73       |
| Commercial Branch, Cleveland, . . . . .     | 355,224           | 85,534   | 29,506      | 47,723         | 76,067            | 29,375       | 2,311        | 627,446 40       |
| Commercial Branch, Toledo, . . . . .        | 167,785           | 62,203   | 21,507      | 67,566         | 41,260            | 23,000       | 616          | 390,116 91       |
| Dayton Branch, . . . . .                    | 237,851           | 66,510   | 19,665      | 36,677         | 20,875            | 25,300       | 296          | 407,552 61       |
| Delaware County Branch, . . . . .           | 173,419           | 62,878   | 3,696       | 897            | 50,591            | 17,700       | 846          | 310,500 53       |
| Exchange Branch, Columbus, . . . . .        | 226,087           | 70,927   | 31,417      | 9,090          | 28,103            | 23,750       | 1,743        | 393,224 14       |
| Farmers' Branch, Ashtabula, . . . . .       | 78,019            | 35,435   | 7,307       | 8,612          | 21,190            | 8,000        | 1,166        | 162,307 74       |
| Farmers' Branch, Mansfield, . . . . .       | 109,393           | 31,513   | 10,350      | 3,404          | 10,330            | 11,600       | 988          | 185,637 55       |
| Farmers' Branch, Ripley, . . . . .          | 85,354            | 49,296   | 13,766      | 28,043         | 25,281            | 13,545       | 944          | 217,588 11       |
| Farmers' Branch, Salem, . . . . .           | 172,707           | 47,822   | 10,981      | 1,152          | 8,898             | 16,000       | 523          | 260,436 39       |
| Franklin Branch, Columbus, . . . . .        | 311,390           | 90,522   | 18,121      | 5,806          | 37,519            | 31,250       | .            | 504,411 95       |
| Franklin Branch, Cincinnati, . . . . .      | 553,317           | 100,860  | 81,088      | 22,392         | 7,220             | 30,000       | 8,000        | 808,429 88       |
| Harrison County Branch, Cadiz, . . . . .    | 115,453           | 31,922   | 8,424       | 3,641          | 19,539            | 12,000       | 1,765        | 193,460 78       |
| Hocking Valley Branch, Lancaster, . . . . . | 191,482           | 49,424   | 16,005      | 3,040          | 2,759             | 16,171       | 5,305        | 284,470 27       |
| Jefferson Branch, Steubenville, . . . . .   | 210,491           | 79,378   | 26,999      | 18,096         | 3,279             | 20,317       | 5,352        | 364,520 41       |

# Bank Statistics.

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|                                           |              |             |             |           |             |             |           |                 |
|-------------------------------------------|--------------|-------------|-------------|-----------|-------------|-------------|-----------|-----------------|
| Knox County Branch, Mt. Vernon, . . .     | 127,633      | 30,139      | 8,758       | 926       | 5,490       | 10,492      | . . .     | 184,284 54      |
| Lorain Branch, Elyria, . . .              | 90,119       | 38,048      | 14,460      | 8,343     | 22,318      | 12,000      | 716       | 186,934 52      |
| Mad River Valley Branch, Springfield, . . | 241,529      | 48,501      | 16,315      | 7,319     | 15,702      | 20,000      | 562       | 350,510 51      |
| Marietta Branch, . . .                    | 144,669      | 38,771      | 17,509      | 2,004     | 16,975      | 12,000      | 4,480     | 237,127 66      |
| Mechanics and Traders', Cincinnati, . .   | 214,034      | 43,400      | 56,241      | 16,013    | 12,560      | 12,000      | 1,179     | 364,180 07      |
| Merchants' Branch, Cleveland, . . .       | 223,868      | 74,949      | 13,981      | 21,081    | 11,141      | 21,965      | 16,339    | 391,342 19      |
| Miami County Branch, Troy, . . .          | 133,812      | 39,126      | 3,221       | 9,811     | 1,565       | 12,285      | 272       | 200,694 82      |
| Mt. Pleasant Branch, Mt. Pleasant, . . .  | 88,938       | 30,715      | 21,203      | 13,985    | 2,890       | 12,000      | 1,111     | 171,098 42      |
| Muskingum Branch, Zanesville, . . .       | 74,451       | 21,103      | 7,013       | 5,463     | 13,693      | 8,000       | 1,106     | 142,357 93      |
| Norwalk Branch, . . .                     | 145,022      | 41,652      | 4,446       | 21,640    | 10,994      | 13,998      | 2,625     | 241,002 55      |
| Piqua Branch, . . .                       | 142,684      | 45,889      | 14,073      | 2,422     | 15,489      | 16,964      | 754       | 238,446 70      |
| Portage County Branch, Ravenna, . . .     | 71,901       | 32,174      | 14,529      | 5,929     | 14,502      | 8,700       | 655       | 149,945 67      |
| Portsmouth Branch, Portsmouth, . . .      | 244,097      | 61,474      | 11,938      | 7,174     | 9,405       | 20,000      | 3,459     | 357,785 56      |
| Preble County Branch, Eaton, . . .        | 96,594       | 46,189      | 7,709       | 2,841     | 4,950       | 12,000      | 651       | 170,996 80      |
| Ross County Branch, Chillicothe, . . .    | 247,787      | 76,800      | 7,977       | 7,771     | 29,897      | 23,300      | 2,440     | 402,449 23      |
| Summit County, Cuyahoga Falls, . . .      | 223,491      | 49,221      | 5,295       | 9,684     | 10,795      | 20,000      | 1,016     | 321,361 08      |
| Toledo Branch, Toledo, . . .              | 285,848      | 51,516      | 25,718      | 5,546     | 17,197      | 22,250      | 1,319     | 430,208 53      |
| Union Branch, Massillon, . . .            | 156,058      | 47,512      | 5,439       | 5,049     | 16,677      | 15,600      | 720       | 248,770 35      |
| Wayne County Branch, Wooster, . . .       | 63,398       | 43,539      | 15,854      | 1,788     | 12,262      | 8,000       | 698       | 147,646 33      |
| Xenia Branch, Xenia, . . .                | 293,668      | 70,832      | 22,606      | 11,027    | 19,680      | 27,500      | 8,237     | 448,553 68      |
| OLD BANKS.                                |              |             |             |           |             |             |           |                 |
| Bank of Circleville, . . .                | \$258,038    | \$80,682    | \$22,614    | \$22,926  | \$109,890   | . . .       | \$6,520   | \$500,672 38    |
| Bank of Massillon, . . .                  | 246,800      | 68,001      | 36,902      | 4,202     | 81,100      | . . .       | 20,511    | 459,122 66      |
| Bank of Norwalk, . . .                    | 168,191      | 49,778      | 12,566      | 44,302    | 79,589      | . . .       | 10,656    | 448,117 88      |
| Bank of Sandusky, . . .                   | 176,157      | 40,244      | 9,370       | 5,037     | 18,984      | . . .       | 28,927    | 294,382 19      |
| Clinton Bank of Columbus, . . .           | 524,113      | 108,676     | 3,841       | 23,866    | 126,624     | . . .       | 22,787    | 899,966 15      |
| Lafayette Bank of Cincinnati, . . .       | 1,037,125    | 98,061      | 107,924     | 49,834    | 11,450      | . . .       | 25,716    | 1,423,280 80    |
| Ohio Life Ins. and Trust Company, . . .   | 1,065,759    | 12,003      | 221,809     | 38,419    | 107,801     | . . .       | 42,535    | 1,714,735 57    |
| Total of Old Banks, . . .                 | \$3,476,186  | \$457,449   | \$415,926   | \$188,639 | \$535,441   | . . .       | \$160,654 | \$5,740,277 63  |
| Total of State Branches, . . .            | 7,007,743    | 1,994,937   | 659,309     | 442,913   | 709,911     | \$653,063   | 88,656    | 11,680,098 47   |
| Total of Independent Banks, . . .         | 1,616,258    | 279,951     | 193,507     | 157,607   | 304,625     | 1,063,594   | 20,097    | 3,720,077 42    |
| Total of all the Banks, . . .             | \$12,100,188 | \$2,732,338 | \$1,268,342 | \$789,160 | \$1,549,978 | \$1,716,958 | \$269,408 | \$21,140,453 52 |

## BANKS OF OHIO.—LIABILITIES, August, 1848.

| INDEPENDENT BANKS.                          |  | Capital<br>Stock. | Circu-<br>lation. | Due to<br>Banks. | Deposits. | Safety<br>Fund. | Surplus<br>Fund. | Discounts. | Total.       |
|---------------------------------------------|--|-------------------|-------------------|------------------|-----------|-----------------|------------------|------------|--------------|
| Bank of Geauga, . . . . .                   |  | \$30,000          | \$49,420          | \$1,028          | \$32,961  | \$62,000        | \$2,265          | \$2,990    | \$180,686 88 |
| Canal Bank of Cleveland, . . . . .          |  | 50,000            | 47,203            | 647              | 17,202    | 16,303          | .                | 2,570      | 133,925 96   |
| City Bank of Cleveland, . . . . .           |  | 50,000            | 62,859            | 6,245            | 55,374    | 65,050          | 4,900            | 3,075      | 247,504 70   |
| City Bank of Columbus, . . . . .            |  | 120,505           | 225,758           | 38,322           | 259,924   | 189,175         | 23,000           | 19,544     | 877,708 75   |
| City Bank of Cincinnati, . . . . .          |  | 49,800            | 49,771            | 179              | 6,929     | 53,700          | 23,220           | .          | 183,601 05   |
| Commercial Bank of Cincinnati, . . . . .    |  | 50,000            | 31,011            | 38,414           | 304,332   | 54,000          | 4,713            | .          | 526,820 07   |
| Dayton Bank, . . . . .                      |  | 71,810            | 150,673           | 920              | 84,517    | 179,050         | 276              | 5,595      | 492,862 52   |
| Franklin Bank of Zanesville, . . . . .      |  | 70,900            | 63,209            | 5,103            | 66,614    | 116,350         | 1,428            | 3,530      | 327,618 92   |
| Sandusky City Bank, . . . . .               |  | 50,000            | 50,126            | 7,187            | 33,225    | 53,066          | 1,818            | .          | 212,424 45   |
| Seneca County Bank, Tiffin, . . . . .       |  | 30,000            | 68,601            | 4,233            | 38,874    | 70,000          | .                | 3,040      | 214,774 12   |
| Western Reserve Bank, . . . . .             |  | 40,000            | 101,571           | .                | 61,160    | 109,225         | 3,542            | 6,650      | 322,150 00   |
| BRANCHES OF STATE BANK.                     |  |                   |                   |                  |           |                 |                  |            |              |
| Akron Branch, . . . . .                     |  | \$100,000         | \$186,415         | \$442            | \$24,746  | .               | \$158            | \$3,209    | \$314,970 80 |
| Belmont Branch, . . . . .                   |  | 50,150            | 63,839            | 238              | 34,979    | \$6,700         | 565              | 1,932      | 158,405 13   |
| Chillicothe Branch, . . . . .               |  | 227,105           | 332,608           | 5,945            | 124,667   | 3,095           | 5,161            | 12,339     | 710,921 73   |
| Commercial Branch, Cleveland, . . . . .     |  | 162,500           | 269,064           | 29,291           | 131,286   | .               | 17,700           | 13,130     | 627,446 40   |
| Commercial Branch, Toledo, . . . . .        |  | 120,000           | 220,404           | 4,003            | 28,171    | 562             | 1,672            | 3,152      | 390,116 91   |
| Dayton Branch, . . . . .                    |  | 150,390           | 163,451           | 2,168            | 80,499    | .               | 5,624            | 5,268      | 407,552 61   |
| Delaware County Branch, Delaware, . . . . . |  | 89,226            | 170,480           | 702              | 38,231    | .               | 7,412            | 4,446      | 310,500 53   |
| Exchange Branch, Columbus, . . . . .        |  | 125,000           | 186,641           | 3,860            | 65,403    | .               | 6,605            | 5,713      | 393,224 14   |
| Farmers' Branch, Ashtabula, . . . . .       |  | 51,120            | 77,632            | 647              | 22,988    | 6,750           | .                | 3,169      | 162,307 74   |
| Farmers' Branch, Mansfield, . . . . .       |  | 57,430            | 100,472           | 3,133            | 20,190    | .               | 474              | 2,998      | 185,637 55   |
| Farmers' Branch, Ripley, . . . . .          |  | 68,210            | 113,492           | 812              | 28,000    | 2,445           | 1,618            | 3,002      | 217,588 11   |
| Farmers' Branch, Salem, . . . . .           |  | 80,000            | 150,166           | 964              | 20,726    | 1,000           | 3,627            | 3,909      | 260,436 39   |
| Franklin Branch, Columbus, . . . . .        |  | 175,000           | 252,781           | 1,917            | 53,680    | 50              | 8,712            | 6,489      | 504,411 95   |
| Franklin Branch, Cincinnati, . . . . .      |  | 169,000           | 209,493           | 79,019           | 336,270   | .               | 2,020            | 12,626     | 808,429 88   |
| Harrison County Branch, Cadiz, . . . . .    |  | 63,120            | 106,752           | .                | 20,928    | 600             | 39               | 2,020      | 193,460 78   |
| Hocking Valley Branch, Lancaster, . . . . . |  | 81,355            | 158,784           | 2,990            | 35,384    | 1               | 1,940            | 4,015      | 284,470 27   |
| Jefferson Branch, Steubenville, . . . . .   |  | 100,000           | 168,928           | 2,822            | 79,957    | .               | 7,301            | 5,499      | 364,520 41   |

|                                          |             |             |           |             |             |           |           |              |    |
|------------------------------------------|-------------|-------------|-----------|-------------|-------------|-----------|-----------|--------------|----|
| Knox County Branch, Mt. Vernon, . . . .  | 52,460      | 92,347      | 1,180     | 29,307      | 5,992       | 22        | 2,975     | 184,284      | 54 |
| Lorain Branch, Elyria, . . . . .         | 60,000      | 97,902      | 508       | 24,084      | 2,200       | 161       | 2,178     | 186,934      | 52 |
| Mad River Valley Branch, Springfield, .  | 100,000     | 170,101     | 3,845     | 67,895      | 694         | 3,060     | 4,830     | 350,510      | 51 |
| Marietta Branch, . . . . .               | 60,000      | 119,897     | 11,889    | 37,323      | 2,000       | 647       | 4,298     | 237,127      | 66 |
| Mechanics and Traders', Cincinnati, .    | 99,600      | 111,259     | 39,142    | 87,282      | . . . .     | 326       | 4,979     | 364,150      | 07 |
| Merchants' Branch, Cleveland, . . . .    | 113,310     | 188,634     | 28,021    | 53,149      | . . . .     | 1,824     | 6,402     | 391,342      | 19 |
| Miami County Branch, Troy, . . . . .     | 63,295      | 119,895     | 2,202     | 10,134      | . . . .     | 2,322     | 2,706     | 200,694      | 82 |
| Mt. Pleasant Branch, Mt. Pleasant, . .   | 60,000      | 93,351      | 168       | 13,389      | 2,000       | 193       | 1,883     | 171,088      | 42 |
| Muskingum Branch, Zanesville, . . . .    | 47,450      | 53,459      | 2,071     | 31,193      | 5,400       | 196       | 2,429     | 142,357      | 93 |
| Nerwalk Branch, . . . . .                | 71,740      | 137,000     | 2,555     | 20,168      | 5,198       | 609       | 3,730     | 241,002      | 55 |
| Piqua Branch, . . . . .                  | 72,118      | 128,007     | 1,620     | 29,406      | . . . .     | 4,114     | 3,071     | 238,446      | 70 |
| Portage County Branch, Ravenna, . . . .  | 54,740      | 74,631      | 358       | 15,749      | 1,650       | . . . .   | 2,816     | 149,945      | 67 |
| Portsmouth Branch, . . . . .             | 100,000     | 161,137     | 11,348    | 60,131      | 2,000       | 964       | 6,678     | 357,785      | 56 |
| Preble County Branch, Eaton, . . . . .   | 60,000      | 84,792      | . . . .   | 20,916      | 2,150       | 654       | 2,454     | 170,996      | 80 |
| Ross County Branch, Chillicothe, . . . . | 121,750     | 223,249     | 2,239     | 40,944      | 5,200       | 1,234     | 6,032     | 402,449      | 23 |
| Summit County, Cuyahoga Falls, . . . .   | 100,000     | 199,571     | 500       | 18,474      | . . . .     | 635       | 2,179     | 321,361      | 08 |
| Toledo Branch, . . . . .                 | 125,500     | 214,385     | 4,327     | 55,232      | . . . .     | 1,818     | 4,945     | 430,208      | 53 |
| Union Branch, Massillon, . . . . .       | 78,245      | 122,172     | 1,999     | 34,264      | 7,900       | 205       | 3,983     | 248,770      | 35 |
| Wayne County Branch, Wooster, . . . .    | 40,000      | 75,384      | 2,388     | 25,720      | 2,000       | . . . .   | 2,152     | 147,646      | 33 |
| Xenia Branch, . . . . .                  | 150,000     | 234,817     | 4,520     | 44,069      | 4,170       | 5,634     | 5,262     | 448,583      | 68 |
| <b>OLD BANKS.</b>                        |             |             |           |             |             |           |           |              |    |
| Bank of Circleville, . . . . .           | \$200,000   | \$176,994   | \$6,605   | \$88,970    | . . . .     | \$28,102  | . . . .   | \$500,672    | 38 |
| Bank of Massillon, . . . . .             | 200,000     | 193,139     | 9,610     | 38,994      | . . . .     | 17,378    | . . . .   | 459,122      | 66 |
| Bank of Norwalk, . . . . .               | 200,000     | 198,770     | 2,425     | 3,965       | . . . .     | 3,907     | . . . .   | 448,117      | 88 |
| Bank of Sandusky, . . . . .              | 100,000     | 155,895     | 11,241    | . . . .     | . . . .     | 27,245    | . . . .   | 294,382      | 19 |
| Clinton Bank of Columbus, . . . . .      | 300,000     | 470,368     | 4,692     | 68,622      | . . . .     | 51,693    | \$4,600   | 899,966      | 15 |
| Lafayette Bank of Cincinnati, . . . . .  | 700,000     | 186,226     | 53,863    | 314,375     | . . . .     | 85,532    | 7,600     | 1,423,280    | 80 |
| Ohio Life Ins. and Trust Company, . . .  | 611,226     | 16,450      | 198,644   | 858,430     | . . . .     | 29,079    | . . . .   | 1,714,735    | 57 |
| Total of Old Banks, . . . . .            | \$2,311,226 | \$1,397,842 | \$287,074 | \$1,373,357 | . . . .     | \$242,988 | \$12,200  | \$5,740,277  | 63 |
| Total of State Branches, . . . . .       | 3,499,814   | 5,633,322   | 259,849   | 1,864,953   | \$69,757    | 95,252    | 165,906   | 11,650,098   | 47 |
| Total of Independent Banks, . . . . .    | 613,015     | 900,202     | 102,253   | 961,118     | 967,920     | 65,167    | 52,389    | 3,720,077    | 42 |
| Total of all the Banks, . . . . .        | \$6,424,055 | \$7,931,366 | \$649,207 | \$4,199,429 | \$1,037,678 | \$403,408 | \$233,496 | \$21,140,453 | 52 |

## STATE BANK OF OHIO.

We publish the following report of the Select Committee, appointed to examine into the affairs of the Board of Control of the State Bank of Ohio, as communicated to the Senate of that State on the 6th of February, 1846,

The Report now published will illustrate the plan of organization, &c., of this Bank, which is an institution founded on principles entirely different from any Banking Institution that we know of in the Union.

Mr. Perkins, from a select committee, made the following report to the State Senate, 6 February, 1846.

The agency of the Board of Control, in the discharge of their important functions, will be best understood by reference to some of their by-laws. Their office is open during business hours, on all days of the year except Sundays, the Fourth of July, public fast, and thanksgiving days. The regular meetings of the Board are semi-annually; special meetings at the call of the President or Executive Committee, and when not in session, its duties devolve on the Executive Committee. Upon any apprehension that any branch is unsafe, or mismanaging its affairs, further delivery of notes for circulation is to be suspended till a careful and thorough examination into its affairs is made by the Executive Committee. At the close of every month each branch is required to transmit to the Board of Control, under oath, an abstract of its condition, in substance like that required by the 59th section of the act of incorporation, to be made quarterly to the Auditor of State.

At the end of each three months, the Cashier of each branch shall furnish an alphabetical list of all the notes, bills, or bonds, delinquent in such branch, a copy of which list is to be sent to each branch. If any branch shall become possessed of its own stock, so as to leave in the hands of its individual stockholders less stock, in proportion to its circulating notes received from the Board, than the proportion prescribed by law, such branch shall immediately return to the Board such portion of its notes of circulation as may be necessary to restore such proportion. No branch shall establish an agency for loaning money or purchasing bills or bonds, or operating for the benefit of such branch, at any place other than its own office; nor shall any note, bond, or bill, be discounted or purchased except by order of the directors or their committee, entered on their journals. Regularly, once in six months, a member of the Board of Control, is sent out to examine critically the affairs of each branch, and makes a detailed and particular report to the Board. No notice is given to the branch of the intended investigation. Upon application of two stockholders of any branch, and good cause is shown, the Board shall order a special examination. The branches are forbidden to exchange its notes of circulation, with any bank, banker or corporation out of the State; also with any bank or company within the State without approbation of the Board of Control: they are also forbidden to deliver to any person, bank, banker, company, or corporation, either in or out of the State, any of its notes for the purpose of giving them circulation; the paying them in the bona fide purchase of bills of exchange being excepted. Branches are also now required monthly to report whether, since their last statement, they have caused any of their evidences of debt to be re-discounted, or in any way hypothecated for realizing the proceeds in eastern funds or otherwise; if so, whether endorsed by the branch, to whom, and on what terms.



# THE COMMERCIAL CRISIS OF 1847.

## COMMERCIAL DISTRESS AND THE BANK CHARTER ACT.

The following extracts are from the evidence taken before the secret committee of the House of Commons, appointed to inquire into the causes of the recent commercial distress in Great Britain, and how far it has been affected by the Bank act of 1844. The following were the members of the Committee appointed 3d December, 1847. Their meetings took place on the 8th February, and following days.

|                                  |                        |                    |
|----------------------------------|------------------------|--------------------|
| Mr. Chancellor of the Exchequer, | Sir James Graham,      | Lord John Russell, |
| Sir Robert Peel,                 | Mr. Thomas Baring,     | Mr. Spooner,       |
| Mr. Cobden,                      | Lord George Bentinck,  | Mr. Goulburn,      |
| Mr. Herries,                     | Mr. Beckett,           | Mr. Cardwell,      |
| Mr. Cayley,                      | Mr. Alderman Thompson, | Mr. Hume,          |
| Mr. Labouchere,                  | Mr. Hudson,            | Mr. Thornley,      |
| Mr. D'Israeli,                   | Mr. J. L. Ricardo,     | Sir William Clay,  |
| Mr. Glyn,                        | Mr. James Wilson,      | Mr. Tennent.       |
| Mr. Home Drummond,               | Mr. F. T. Baring,      |                    |

Among the persons summoned, whose testimony upon the topics before the Committee was considered important, were the following merchants and bankers: Adam Hodgson and Charles Turner, merchants, of Liverpool; Thomas C. Salt and Philip Henry Muntz, merchants, of Birmingham; Samuel Gurney, broker, and R. C. L. Bevan, banker, of London; J. Horsely Palmer, one of the Directors of the Bank of England, and Joshua Bates of the firm of Baring Brothers, Samuel Jones Loyd and Mr. Tooke.

Our space will not allow us to insert, at length, the testimony alluded to; the pamphlet occupying sixty-four pages, octavo: but we have selected the material portions of the replies submitted by Messrs. Hodgson, Gurney, Palmer and Bates, as gentlemen well known for their prominent positions in the monied circles of London and Liverpool.

The principles of trade, of banking and finance, are universal. Sound principles apply everywhere. Unsound views will work their own evil wherever followed. We furnish our readers with copious extracts from the pamphlet, because the principles laid down may be as well applied in this country as in Europe; and because some of the most distinguished and able men of Great Britain have been called upon to testify upon the causes of the late crisis in that country.

The gentlemen named have, in general terms, coincided as to several points brought before them, viz:

1. That the commercial distress was hastened and increased by the restrictive features of the Bank act of 1844.
2. That the Bank Directors (or *Court*, so called) should consist of men who are not large borrowers.
3. That the rate of interest *by the Bank* should not be at any period reduced below four per cent.
4. That the crisis was produced mainly by the failure of the grain crop, and in some measure by the heavy investments in rail roads, and in a smaller degree by the low rate of interest adopted by the bank, and leading thereby to speculation.
5. No system of currency can prevent occasional commercial distress.—[Ed. B. M.]

HOUSE OF COMMONS, 8th and 11th February, 1848.

The Right Honourable F. T. BARING, in the Chair.

Adam Hodgson, Esq., Examined.

*Chairman.*—You are one of the directors of one of the joint-stock banks at Liverpool?—Yes; I am one of the two confidential directors of the bank of Liverpool.

You were, I think one of the deputation to the Government in April, 1847?—I was.

And, I believe, I am right in saying that you have attended here at the request of some of the gentlemen at Liverpool in consequence of the desire of the Committee, communicated through Mr. Cardwell, that we might have information of the commercial state of Liverpool?—I have.

Before we go into the history of the difficulties that have arisen, will you have the goodness to state to the Committee what you consider the state of trade at Liverpool to have been at the commencement of 1847?—There was nothing at that period that had excited any particular attention; there had been a very unusually large increase in the spinning of cotton; but in Liverpool there was nothing to mark the period peculiarly.

I speak of trade, independently of the railway speculations?—Yes, I quite understood you so; when we came up in April, there was a very strong feeling among all those who came up, that trade was generally in a sound state; that was generally stated to the government as the opinion of all the gentlemen in the deputation; there had been nothing in the accounts of the customers of our bank different from usual.

Is it your opinion now, after you have seen what has taken place since, that, at the commencement of 1847, trade at Liverpool, generally speaking, was in a wholesome state?—I should say, generally speaking, it was; there were a few instances of very preposterous overtrading, but those, I think, were confined to a very few individuals.

#### *The Crisis in April, 1847.*

Will you proceed to state to us what took place in April?—The first circumstance that called our attention in any particular degree to any difficulties of the times was an announcement from the Bank of England that our discounts with them must be diminished one-half, as they ran off; that was in the last week of April, and, I believe a similar notice was pretty generally given; so we understood.

Perhaps you had better state to us what your arrangements were with the Bank of England as regards discounts?—It is very necessary to state that, because we have two accounts, under our arrangement with the Bank of England; the one, an engagement to discount for us, under all circumstances and at all times, to the extent of £200,000, arising out of our original agreement with the Bank not to issue our own notes, and not to re-issue bills of exchange; that we call our contract account; but, in addition to that, we have always a general account which is not under any specific limit, but which, on this occasion, was suddenly reduced one-half.

Then the announcement of the Bank, as I understand, was confined to what you call your general account?—Yes; therefore it was not, in point of fact, diminishing our discounts to the extent of one-half, taking them altogether, but it was with reference to the general account that the discounts were to be diminished one-half.

It was that announcement which you consider to have produced the first effect at Liverpool?—Yes, it gave very general alarm.

Mr. *Spooner*.—Will you state the proportion which the discount under your special, bore to the discount under your general account?—The other was about £136,000.

Mr. *Chancellor of the Exchequer*.—At the time when you received the announcement?—Yes, at the time, or within a day or two after.

*Chairman*.—At what rate of interest is your contract account?—It used to be called our three per cent. account; it was originally three per cent.; it has latterly been four per cent.

Mr. *Spooner*.—At what time did it become four per cent?—I cannot recollect the exact time when it was altered, but it was altered in this way; the original three per cent. account was the one which we had when the Bill of 1844 was passed; that gave us certain rights arising out of that three per cent. account; those rights we commuted for the power of having the account which I have now mentioned, instead of one per cent. on all the notes we could keep out, which the Act gave us the right to; we commuted that right with the Bank of England for the power of having £200,000 at one per cent. less than the London rate; the maximum to be four per cent.

*Chairman*.—Will you proceed to state what followed this announcement?—The announcement alarmed us a good deal, and some other bankers came to us, and several merchants to consult what should be done, and it was decided that a deputation should be sent immediately to the Government to tell them the awkward position in which the Bank had placed us; for though we were prepared to meet our own engagements, it very greatly indeed crippled our power of helping the merchants.

You attended that deputation?—I did; I may perhaps state that the announcement operated with peculiar hardship on this account, that the payments into Liverpool had latterly been much more in bills than in cash; and the merchants who generally brought to the Bank a large proportion of cash with which to pay their acceptances, had latterly been able to bring only bills which they had received for their cotton and other produce, and that increased very rapidly as the difficulties increased; but we saw that it would make the restriction operate much more severely.

Mr. *Chancellor of the Exchequer*.—What description of bills were those?—The bills were cotton, or other bills, not exceeding three months' date; that is the rule for cotton payments. The acceptances I refer to, which the Bank had to pay for the merchants, were acceptances drawn chiefly upon them from abroad, and they have been accustomed to meet those acceptances by whatever payment they received for their produce.

What was the description of bills that the merchants brought to you in lieu of cash, which they usually brought?—They were bills of various dates, and of various descriptions; a considerable number of them were bankers' bills, of three months' date, the large bulk being cotton bills; but they were of every description of bills almost that can be mentioned.



Mr. *Hume*.—Were they in payment of goods shipped abroad, or were they bills originating in England?—They were almost entirely bills originating in England, and received by merchants in payment for the produce sold by the merchants.

Mr. *Chancellor of the Exchequer*.—By whom were those bills accepted generally?—A considerable number of them were bankers' bills, accepted by London bankers, and by merchants in every trade that we could mention—the Brazilian, the American, the Canadian, the West Indian, and almost every description of foreign trade that our connexions might happen to be in.

Then, in lieu of payments in cash, the merchants drew upon each other, and substituted payments, by means of those bills, for payments in cash?—No, not at all; the merchants did not draw upon each other; but the parties in the interior, who had purchased produce from the merchants, remitted to the merchants bills on London Bankers, or bills on various parties in London, or bills upon anybody; they were almost every description of paper that is usual in the interior trade, and in the general commerce of the country; they were what we call promiscuous bills; bills of every description.

By the *Chairman*.—You were stating the effect of the announcement of the Bank of England to diminish your discount account to half; will you proceed with your statement?—That led to a deputation to London, when we had the pleasure of waiting on Lord John Russell and the Chancellor of the Exchequer, and stating the circumstances to them; and the following day we were recommended by the government to go to the governor of the Bank of England, and we found that they were prepared to make some very slight relaxation; they had previously seemed to think that they could not do it, but afterwards they agreed to make a slight relaxation.

Can you recollect at what date this was?—I think it would be the very end of April, or the beginning of May. The relaxation which they agreed to was this: instead of reducing our discounts to one-half of what we had had before, they said "We will agree that you shall have whatever you had last Saturday night;" they asked whether we were satisfied with that, and we said, until we knew what proportion that bore to our ordinary amount, we really could hardly tell; they told us that what we had had on the previous Saturday night was £136,000, and that to that extent we might go again.

That £136,000 was upon your general account?—Yes; that the total amount of discounts at any one time should not exceed that sum; with the general date of the bills that we pay in, it would be something like £13,000, the weekly discount on our general account; and in the same way, upon the £200,000 it would be something like £20,000, and those two added together would be equivalent to a discount of £33,000; it is dependent upon the date of the bills we pay in, but that would be the average.

The limit on the two accounts would be £336,000?—Yes.

You saw the government, and you laid before them the state of trade, and the position of Liverpool at that time?—Yes; we stated to them that what we were very anxious to obtain was relief from the immediate

pressure which had been suddenly occasioned by the action of the Bank of England; that we did not consider that we were smarting under the operation of any particular Act of Parliament then; but that there had been a sudden action of the Bank which had created a sudden alarm, and seemed to have dried up the current of bank notes, and we wished to be relieved from the effects of that sudden alarm; that sudden action having been spoken of very strongly in the House of Commons a few nights before.

And the Bank relaxed to the extent which you have stated?—Yes; the effect of that relaxation, though it was small, was very important; we wanted only the slightest thing to restore a certain amount of confidence, which had been very greatly destroyed by the sudden announcement of the Bank of England; and when we went back, and said we had had a small relaxation, it did restore confidence. There was a great deal of tightness and inconvenience afterwards, but the peculiarity of the crisis at that time was this; if no relaxation at all had been given, I think a great many solvent houses, with bills in their cases, would have stopped payment. We stated that to the Government; and I firmly believe now, that that stoppage was averted by the slight relaxation which the Bank gave, and that is a peculiarity which, when we come to October, will deserve to be remembered, because it was not the peculiarity of the crisis of October.

What effect had this relaxation upon discounts?—It was not a question of the rate of discount at all, it was a question simply of the power of discounting; it enabled us to do a little more: but there was a good deal more in the amount of confidence it inspired; and I may be allowed to say, that nothing is more material through the whole of this examination for us to remember, than the extreme importance, and the ultimate effect on prices of a state of alarm, or a state of ease, and that it is not simply the amount of what can be got, but the removal of the apprehension, that by-and-bye, if the alarm continues, nothing will be got.

Had it practically any effect upon the amount of your discounts?—I think it had; I think it enabled us to go a little further.

A little further than you had gone?—A little further, probably, not than we had gone, but than we should have gone, after the announcement of the restrictive measure, if this slight relaxation had not been made.

#### *Proposed Reform of our Monetary System.*

*Chairman.*—How far do you think the Bill was successful in restricting the issue of local banks?—I think it was perfectly successful, and that it was most important to attain that object.

Do you think that that object was attained by the Bill?—I think it was fully secured by the Bill.

With regard to securing the convertibility of notes, what is your opinion of the Bill?—I do not think it has secured the convertibility of notes at all: the notes remained convertible up to the suspension of the Bill; but I believe that if the Bill had not been suspended then, or some similar measure adopted, notes would have ceased to be converti-

ble. Looking to the general state of things throughout the country, and to what I know to have been the state of things in London, and the position of trade generally; to the alarm that was spreading rapidly through the country, and to the fact that the power of the Bank had been reduced to such a point, that if there had been any apprehension of the failure of the country banks it could not further support them, and that very little might have occasioned, (I might perhaps go further and say) would have occasioned the failure of banks in large towns and in the country; believing that, if one or two country banks of any magnitude had failed, alarm would have been spread throughout the kingdom, or if one or two London banks had failed, consternation would have been general; seeing, also, the considerable amount of reserve in the hands of the country bankers and joint stock banks, and the necessity that there would have been of having that reserve as early as possible converted into gold, if the Bank was obliged to stop; seeing that a reserve of £20,000 for each of 300 country banks would have taken six or seven millions; or of £15,000 each, would have taken five millions; and that if the run for gold had once begun, it would probably have gone on until the Treasury was drained; seeing all this, my firm opinion is, that the Bill of 1844 has not secured convertibility; and I state the grounds on which that opinion is formed.

Are you prepared to state any measures which you would consider advisable to be adopted for the purpose of placing the monetary system upon a better footing?—There are two broad principles on which I should be disposed to think it would be advantageous to act; one is, to make the metallic basis of the currency larger, and the other is, to secure more unity of purpose in the administration of the affairs of the Bank of England; not to have a body so fluctuating, and a change of policy depending upon one or two accidental votes. If the Governor and Deputy-governor were out of business, and were paid for their services, and their whole time and attention given to so important a subject as the administration of the currency, I think very great public good would be attained: I say it with every feeling of respect to the Bank; but I think there would be a greater uniformity of action, and that they would have more time to look systematically at the first indications of circumstances that might by-and-bye produce adverse exchanges, and the various difficulties into which the country would be thrown by them. I have never seen such perfect discouragement thrown upon commercial matters, as I have seen in the last year; I have been thirty years in business, and I have never witnessed the feeling of helplessness and hopelessness so strong as in the last year; there were heavier losses in 1825, but I never saw a greater feeling of discouragement, persons not knowing what they could depend upon in looking to distant operations. Anything that would enable us to encounter the difficulties that we have to encounter in our mercantile operations, from the sudden calls upon us from a bad harvest, I think would be of great national consequence, and it seems to me, that a wider metallic basis is almost essential to the attainment of that object.

What practical proposal would you make upon the subject of a wider metallic basis?—I am not prepared to state the form in which it

should be done. In the first place, I should like to see the capital of the Bank of England repaid, and that the Bank of England should have command over its resources. I think that is an essential thing to begin with, and I think if it had that command over its resources, provision might be made for adverse times and serious contingencies. Whenever we have an export of any extraordinary amount of the precious metals, we not only lose that amount which is unavoidable, but we have every thing throughout the country deranged. There is hardly any price that we could pay, which, in my opinion, is too high a price to prevent that. The loss generally from panic, and the closing of the channels of commerce, directly and indirectly, I feel perfectly satisfied, is many times greater than the interest of a large amount of bullion kept in some way or other under the control of the Bank, in the issue department, or the banking department as it might be; and I think one most important thing to look at in connexion with any alteration which might take place, is to take from the Bank—(I do not like to call it the temptation)—but to take from the Bank the feeling that their duty to their proprietors requires them to get rid of a large amount of bullion. They should be exempt from the necessity of having to account to the proprietors for holding too large an amount of bullion; those who have the administration of the currency should not have a personal interest in diminishing the amount of bullion to the minimum, instead of having reference solely to its connexion with the circulation.

Would you propose that a smaller number of notes should be issued upon securities?—I should feel it presumptuous to go much into detail upon a subject of this kind, because in doing so, it is necessary to carry out the whole plan. If the Bank of England had its capital repaid,—of course I do not mean in such difficult times as these, but that the principle should be established to be acted upon in better times,—if it had its capital repaid, the question then is, whether it should be repaid into the banking department, or the issue department; but they, whoever they might be, who had to administer the affairs of the Bank, and who had so to apply it, that it might be rendered more available than it is now as capital, would have to consider how much of it they should keep in bullion, and how much they should employ in other ways. Suppose the Bank kept a certain amount of foreign bills always under discount, that would give us a claim upon foreign countries, in the event of an adverse exchange, to a certain amount. Suppose they had five or six millions, or a certain amount of foreign stock, to which I know there are objections, or invested in foreign bills or in bullion, in whatever proportion might be deemed expedient, then you would have something by which you could discharge your debts to foreign countries, when you had an unusual amount of debt to them. When we are pressed for corn we cannot wait for it; foreigners can wait for our manufactures till adverse times are over; they can go on for six or eight months, wearing out their clothes, but we cannot wait for our corn. It seems to be taken for granted that we can always create a want abroad for our manufactures. I think that mistake lies at the root of great practical mischief; and I think, in this large commercial country, looking to the way in which our commerce has increased

of late years, and looking to the enormous extent of it now, our metallic basis does seem too small. It has been said, and said truly, by a very eminent person, that we erect a larger superstructure upon a smaller foundation of bullion than any other country. Then the question arises whether you should diminish your credit, or whether you should enlarge your basis of bullion, if there is this disproportion. We know that credit may be abused; but credit has been the foundation of the commerce of this country; and if we think it inexpedient to maintain our present extent of credit on our present basis, then give it a broader basis; but at all events, we are extremely anxious, commercially, that the subject should be considered, with a view to see if there are not ways by which these violent revulsions may be mitigated. We have two of them in one year, and the anxiety and pressure of these panics, coming on one after another, is becoming to many persons intolerable. There is hardly any expense that would not appear to be a small expense, compared with the object attained, if it could be attained.

Mr. *Cayley*.—Your objection to the present system is, that, losing a few millions to pay for corn, and to ratify the exchanges, deranges the whole commercial state of the country, which extends to some hundreds of millions.—Yes.

You think that the main difficulty of the present system of currency is, that in consequence of the export of bullion, to restore the exchange, the whole of the internal transactions of the country suffer very materially?—I do.

And you consider that that state of things requires a remedy?—I do.

Supposing there was a broader basis for the circulation which you recommend, of what would you constitute that broader basis?—I have already stated that part of it would be in bullion. In the first place, it would be made broader by the repayment of the capital of the Bank of England, of which some part might be retained in bullion, and some part in securities, which might be easily converted, and, if possible, some part in foreign securities, which might give us the means of paying foreign debts, without deranging the monetary affairs as it does at present.

*Charles Turner, Esq., Examined.*

*Chairman*.—You are a merchant at Liverpool?—I am.

What line of trade are you in?—The East India trade.

How long have you been in mercantile pursuits at Liverpool?—Since 1829; 19 years.

Have you been the whole of that time in the East India trade?—First I was in the American trade, and afterwards I was in both the East India and American trades till 1840, and since 1840, solely in the East India trade.

You attend here in consequence of a communication which was made to you, and with a view of laying before the Committee information respecting the state of trade at Liverpool?—I do.

*Causes of the Distress in 1847.*

Will you have the goodness to state what you consider were the causes that produced the commercial difficulties at Liverpool, so far as they came under your observation?—The fundamental cause I believe to be the famine, which occasioned the necessity for a large import of food to supply the consumption of the country, the consumption being increased at that period by the very large railway expenditure, which gave more money to a great number of people who are notoriously prodigal in their expenditure. I believe also that the imports of food were increased by the Government loan, and by different subscriptions of private individuals, which were expended in the purchase of food, which from the circumstance of the famine could only be supplied from abroad. These combined circumstances caused the imports of the country to be very largely in excess over anything that the commercial exports could pay for; and the balance, I believe, was partly paid for by the exports of foreign stocks, and other matters of that kind, and by so reducing the indebtedness of foreign countries to ourselves; but still there remained a very large balance to be paid for, which could only be done in specie. The demand for that specie caused a considerable drain upon the banks, and an increased application to the discount brokers and other parties for the discount of bills; they, finding this demand come upon them, began to scrutinize the bills offered to them for discount, in a way which they had certainly not done, to my knowledge, since 1837 or 1839, and the facilities of houses then began to be very seriously curtailed, and the weak houses began to fail. Those houses which had entered into engagements without taking into account the proportion of available means that they had to meet them, and which relied upon their credit in order to meet their engagements, rather than their available means, of course went down. This increased the alarm that had been previously felt; and the bankers and others finding that they could not rely with the same degree of confidence that they had previously done upon turning their bills and other money securities into bank notes, for the purpose of meeting their engagements, still further curtailed their facilities, and in many cases refused them altogether; they locked up their bank notes, and in many instances, to meet their own engagements; they were afraid of parting with them. Merchants were obliged to look forward to meet their engagements in a way that they had never hitherto done, inasmuch as they could not depend upon being able to raise bank notes, and they were afraid, when once they got the bank notes, to part with them. The alarm and confusion of course were increased daily; and unless Lord John Russell and the Chancellor of the Exchequer had issued the letter to the Bank, which they ultimately issued, I believe that universal bankruptcy would have been the issue. I believe that letter was a very wise one. I think particularly that the rate of discount which they charged, eight per cent., was a very prudent measure, inasmuch as it prevented its being taken advantage off to get money for purposes which it was not intended to facilitate.



*Conduct of the Bank.*

Do you consider the constitution of the Bank, as at present formed, satisfactory?—Not altogether; in my opinion, there must be a large commercial interest in the Bank direction, a very large number of merchants: but I cannot help thinking (without the slightest imputation upon the Bank directors,) looking at the disasters which have taken place, and the way in which the Bank direction has been mixed up in the disasters, that there must have been many members of the Bank direction to whom it was of importance that the Bank rate of interest should be kept down, when, for the sake of the public, it ought to have been increased. I think it would be desirable that there should be some government officer, either a paid governor or a paid deputy-governor, who should have some controlling power as to the rate of discount upon commercial bills; that it should not be left entirely to gentlemen engrossed in commercial pursuits, and who may have a strong interest in keeping down the rate of discount, when, as regards the public, it may be desirable that it should be raised. That is the only suggestion which I can offer respecting the Bank.

*Examples of Over-trading.*

*Chairman.*—You said that there had been over-trading; will you explain more particularly what you meant?—As regards the over-trading, there has no doubt been a vast deal of over-trading; a matter which has tended still further to embarrass matters. Of course we are all aware of the events which have taken place as regards the Mauritius trade, and other trades of that kind. The brokers have been in the habit, we all know now pretty well, not only of advancing upon goods after their arrival to meet the bills drawn against those goods, which is perfectly legitimate, and upon the bills of lading, which to a certain extent might also be done; but beyond that, they have done what is perfectly illegitimate; they have advanced upon the produce before it was shipped, and in some cases before it was manufactured. Now, to speak of my own individual instance; I had bought bills in Calcutta to the extent of six or seven thousand pounds in one particular instance; the proceeds of the bills went down to the Mauritius, to help in the growth of sugar; those bills came to England, and above half of them were protested; for when the shipments of sugar came forward, instead of being held to pay those bills, it had been mortgaged to third parties to pay previous engagements before it was shipped, in fact almost before it was boiled. Now, nothing can be more unsound and worse than that state of things that has gone on to a considerable extent.

*Mr. D'Israeli.*—Did not the glut last in the Indian markets to 1842 and 1843, so that prices were not remunerative in 1842?—I do not recollect as to that; the general course of the trade has been a tolerable good one up to last year; but to show the way in which the matter has been carried on of late years, I will just mention one fact; there is one house which failed in London the other day, and in examining their affairs, a transaction of this sort was proved to have taken place;

there is a house of business at Manchester, and another at Calcutta; they opened a credit account with a house in London to the extent of £200,000; that is to say, the friends of this house in Manchester, who consigned goods to the East India house from Glasgow and from Manchester, had the power of drawing upon the house in London to the extent of £200,000; at the same time, there was an understanding that the corresponding house in Calcutta were to draw upon the London house to the extent of £200,000; with the proceeds of those bills sold in Calcutta, they were to buy other bills, and remit them to the house in London, to take up the first bills drawn from Glasgow. The whole of this was not carried out, but that was the arrangement; so that if the arrangement had been fully carried out, there would have been £600,000 of bills created upon that transaction. That I call overtrading.

*The Cotton Trade.—Circulation of Bills of Exchange.*

Mr. Cayley.—Do bills of exchange form the principal medium of circulation in Lancashire?—Cotton has to be paid for in cash in ten days, allowing the rate of interest, whatever it may be, for the credit. When the rate of interest is above five per cent., the parties send bankers' bills, Jones Loyd and Co's, or whatever they may be; but whenever the rate of interest is under five per cent., they discount those bills at Manchester, or wherever it may be, and they bring the cash to Liverpool.

Then, whenever the rate of interest is high, bills of exchange are substituted for bank notes?—Yes.

And to all intents and purposes they form as much a part of the circulation as Bank of England notes did before?—A part of the circulation for certain purposes, but not for others; you cannot oblige men to take bills instead of bank notes.

*No System of Currency can prevent occasional Commercial Distress.*

Mr. Beckett.—We have referred to convertible and inconvertible currency; do you think that any system of currency, convertible or inconvertible, can be devised, in which occasional periods of commercial distress will not arise, as long as commercial transactions are entered into by parties almost without limitation and beyond their means?—I do not think it possible; I do not think that any system of currency that any human being can devise, can correct the follies of mankind; there are always some people who will speculate beyond their means, but under a proper system there would not be whole rows of perfectly innocent people knocked down as there have been lately.

*Samuel Gurney, Esq., Examined.*

*Injurious Effect of the Bank Act.*

Chairman.—How long have you been in business in London?—I have been in business in London since the year 1807.



In what line of business are you engaged?—The business in which I am is usually designated that of a bill-broker.

Before we proceed to ask you any question with regard to the last year, will you state to the Committee whether you think that since the passing of the act of 1844, there has been any previous period which shows the working of the Act?—In February, 1846, the operation of the Act of 1844 was sensibly felt.

Will you state in what way it was felt, and your view of the pressure at that period?—The pressure of 1846 arose from the excitement that had occurred upon the subject of railways for the previous two years, and more particularly from a regulation of Parliament, that a certain amount of deposit on each company's scheme should be paid into the Bank, on account of the Court of Chancery, within a certain number of days of the meeting of Parliament; before the payments took place, it was impossible to ascertain the exact amount of what the payment might be, but it was presumed that it would range from 10 to 25 millions sterling.

Mr. *Thornely*.—Was not a good deal of it paid in Exchequer bills?—No; the payment was to be made in Bank notes; so very large a sum to be taken out of the circulating medium then existing, was a very severe operation; the Bank being under the restriction of this Act, instead of giving increased accommodation to the monied interest, which, were it not for this Act, they would have done, acted upon a very marked system of limitation; the usual accommodation that we had had, had been by the discount of bills having less than ninety days to run, or loans on the security of bills for the same period of ninety days or less; the Bank were alarmed in consequence of the effect of this Act, and limited the period first to sixty days, then to thirty and to twenty, and at last to only ten days; the effect of which was, that the money dealers were wholly disinclined to take money for such short periods, and to accommodate the mercantile community with it, and very great stagnation and pressure took place for a fortnight or three weeks.

*Chairman*.—Do you consider that stagnation to have arisen entirely from the operation of the Act of 1844, and if so, in what way?—It took place solely in consequence of the operation of the Act, inasmuch as if it had not been for the Act the Bank would have been willing to have made liberal advances, and the public would have had all the accommodation they required, and instead of a time of pecuniary distress and disturbance in the money-market, it would have passed over without being noticed by the public.

Was there at that time any other cause whatever, which was likely to have produced that effect?—At that time there was no other cause whatever; it was a period when the stock of bullion in the Bank was upwards of £13,000,000, and the exchanges in favour of the country; the stock of bullion was gradually on the increase; it was a period of great monetary prosperity.

The inconvenience at that time, in your opinion, arose entirely from the restriction in the Act?—Entirely and solely; there was nothing in the money market or money transactions of the time, but what led to

entire ease and facility, excepting as we were under the bondage of this Act.

Can you compare the operation under the Act, as you stated to have taken place in 1846, to any similar period previous to the passing of the Act?—The only period to which I can at all compare it was that in which a loan for compensation for the West Indies was raised. At that time there was a very large amount of Bank notes to be paid into the Bank, which before a long interval would not be paid out again. The monied interest at that time had a large accommodation from the Bank, as stated they ought to have had, in the latter case; our house alone, in the case of the West India Loan, were supplied by the Bank to the extent of £3,000,000 sterling. In the latter case, in February, 1846, we ought to have had at least as large an accommodation for the advantage of the public; we, however, limited it to no greater number of Bank notes than we could possibly limit ourselves to, wholly throwing over the accommodation to the public; this was the effect of the Act.

At that period of the West India Loan, was there any inconvenience felt, such as there was in February 1846?—There was no inconvenience whatever felt by the public, inasmuch as the public got the relief as I stated, because not only was my own house so accommodated, but others in equal proportions had the same accommodation, and the circulation in the city was never materially deranged; at that time the public were not the least aware of this very large operation going on; and, in my opinion, the public ought not to have been inconvenienced in February, 1846; there was no ground for it, were it not for the bondage of the Act.

Do you consider, that if the Act of 1844 had been in operation at the time of the West India Loan, inconvenience would have arisen from the restriction in the Act?—Inconvenience to a great extent, but not to the same extent as in February, 1846.

You have stated that one source of the inconvenience in February, 1846, was the uncertainty as to the amount that would be wanted?—It was so; it was quite uncertain when the Bank would be required to repay this large sum of money; and they were afraid, under the Act, to use it.

Are the circumstances of February, 1846, likely to occur again, or was not it an extraordinary event?—It was quite unprecedented in the history of money transactions; but still it has given that experience which would make me extremely alarmed at any very large payments to be made by the public into the Bank under the operation of this Act.

Have you anything else to add with reference to the occasion of February, 1846?—There has been no occasion, in my opinion, in which the Act so favourably operated upon a state of money market, as in the case of February, 1846; in that case the Act only was the cause of the inconvenience; in what has occurred since, other causes have operated; but then it was only on account of this Act that the Bank, instead of giving increased accommodation at a period when, of all others in all my history, it was most wanted, adopted a restrictive system, till it was almost saying that they would not let you have money at

all; because, to give your notes of hand for hundreds of thousands of pounds, for ten days, was that which no prudent man would enter into beyond what he could possibly avoid. I have no hesitation in saying, that our house ought to have had at least three times the amount we had; this was entirely and solely owing to the system of restriction by the Bank being under this Act. [1568—1582.]

*The Crisis in October, 1847—its Causes and Consequences.*

In what way did the pressure begin in August?—It began by very large failures in the corn trade; it was some little time before those failures extended into other lines of business; at the same time our apprehensions became greater weekly; we had again severe failures in houses connected with foreign parts in September, and by the end of that month there was a very marked distrust in the City, as touching the mercantile community: that distrust very generally extended, and at last there was rather a strong tendency on the part of those that could, to provide Bank notes, and Bank notes were provided by people of power to a much greater extent than was wanted; the reserve of the Bank became less and less, till it became a very serious question whether Bank notes were to be had at all under the operation of this Act: as that apprehension increased, the intensity of the desire to possess circulating medium increased also; instead of giving relief, as naturally would have been the case, had it not been for the Act of 1844, the Bank was under the necessity of going upon a system of severe restriction; it is due to the Bank to say, that at that time, to houses in actual difficulty they did extend a hand of liberal generosity and with unflinching liberality; at the same time, to houses that could stand alone, and wherever they could possibly avoid giving it, they restricted it as much as they possibly could, and so it went on, till, as the Committee know, the reserve of money became very small indeed.

Do you consider that the actual amount of notes out of the Bank was insufficient for the purposes of the country, or do you mean that in consequence of the alarm, a considerable part of that circulation of notes out of the Bank was rendered inefficient by being locked up?—It is quite clear, that the amount of notes that the Bank had issued were very much beyond the actual requirements of the country, amounting to nearly £21,000,000.

Mr. *Glynn*.—You mean beyond the usual requirements?—I mean that the notes in the hands of the public, at the end of October, amounted to £20,800,000; I have no hesitation in saying that there were at least £4,000,000 sterling more than the actual requirements at the time, and that excess was inoperative, in consequence of the alarm that existed, owing to this Act.

What was the effect of the issue of the Government letter?—The effect was that of immediate relief. Perhaps I cannot explain the case better than by telling the history of my own firm on the day on which the Government letter came down, and the previous Saturday: up to that Saturday, our firm had no occasion to apply for any assistance from the Bank of England; in consequence of the feeling of panic we had

on the Saturday to get possession of the circulating medium, I went over to the Governor of the Bank, to negotiate an advance; I was received by him, as I have always been in that establishment, with great courtesy, but I was told that they could not give me an answer till two o'clock in the day, but that they would, if practicable, make a point of letting me have the money; they gave me a pretty strong expectation that they would, but that they should charge me 10 per cent. interest.

Have you any objection to mention the amount?—The amount was £200,000; whether 20,000 more, or less, I cannot say. I stated to the Governor that it was a matter perfectly immaterial whether we lost two, or three, or four hundred pounds in such a transaction, but that I thought it would have a very injurious effect if it were stated in the city that our firm had paid 10 per cent.; I strongly urged this, and he was kind enough to relax to 9 per cent., but below that he was quite unwilling to go, and we paid 9 per cent.; that was on the Saturday. On the Monday morning there was the same cloud over the city; there was a strong desire, both on the part of gentlemen from the country and bankers in London to get possession of circulating medium, as they most reasonably thought, while it was to be had; and a very great variety of orders came in from the bankers for sums of money, and from others not bankers. I went over to the Bank (or my partner) and stated that we should want a similar sum; we were received with the same courtesy, and told that at two o'clock they would let us know whether we could have it or not. Before two o'clock this relaxing letter had come down, and very generally the orders for money were withdrawn; they said, "We do not want the money now—we do not want the money now—there is no occasion to pay it." Sums of money were immediately offered us, and people then began to have confidence to use the notes which they had. Before the week was over we had to go and ask the Bank, as a favour, to let us repay the money which we had borrowed.

Are you of opinion that if the Government letter had been issued earlier, any part of the pressure would have been saved?—I have no hesitation whatever in saying, that the severity and the extent of the calamity would have been limited, had that letter come at an earlier period.

You spoke of the failure of mercantile houses in the course of the year; is it your opinion that a great portion of those houses that failed, were insolvent houses, and must ultimately have failed?—I think the first series of houses that failed were insolvent, and failed rightly; ultimately it began to affect solvent houses, and houses stopped payment which would not under other circumstances; and my own apprehension is, that not only the degree of insolvency, but the number of failures were increased in consequence of the very great additional pressure which this Act produced on the occasion.

Supposing the letter of the Government had not been issued, but that the Act, in its full force, had been carried out into unmitigated operation, what, in your opinion, would have been the effect?—I think the wisest in the city cannot calculate; my firm persuasion is, that it would have ended in an infringement of the law or a stoppage of the Bank; it

would have produced very great calamity, and extreme alarm over the country; the ultimate consequences no one can calculate.

Do you think it would have affected the convertibility of the note in that way?—I think it would ultimately, but the wisest cannot exactly say; my own opinion is, that it would have run to a great national calamity.

Will you have the kindness now to state to the Committee what you consider to have been the causes which produced the events of 1847?—I think the original cause was an unproductive season, and to a certain degree of excitement upon commercial transactions.

Do you attribute much to the effect of the railways?—I cannot trace it to railways; I have been asked several times, whether I thought they affected the money market while they were in progress; I was under the necessity of giving an answer that I could not tell, but still my reason would say that so far as the commercial capital of the country (I do not mean the mere floating money) has been withdrawn from commercial and trading purposes into railways, it must have had an injurious effect upon trade; on the other hand, it was rather a time of excitement in trade; there was no facility wanted; and therefore, though my reason and my judgment tells me that it must have had such an effect as that alluded to, my experience has not shown it to me.

You did not find it yourself?—I cannot say that I ever found it myself.

Will you have the kindness to say whether, in your opinion, the Act of 1844 had any effect in producing the distress?—I do not think the Act of 1844 was the cause of these panics; I think it aggravated the misfortune on each occasion, but I do not think it could be traced to be the cause.

You do attribute to it the pressure in April?—Yes, decidedly; because in April, in consequence of the Act, the Bank did, in two or three days, what they should have taken two or three months to do; it was the suddenness and rapidity of the operation that did the harm.

Are you of opinion that the pulling up in April was proper?—I think, under the Act, the Bank could not avoid doing what they did, but it was otherwise improper; it was too sudden.

But you are of opinion that it ought to have been spread over a longer period?—Yes.

*As to the Changes in the Rate of Interest by the Bank.*

Will you be kind enough to state to the Committee what your opinion is as to the effect upon the money market of raising the rate of discounts at a period of panic and discredit, such as the country experienced in October last?—So far as the increase of the rate of discounts is warranted by the circumstances of the times, I am in favour of it; but I am wholly against the artificial raising of the rate of interest, as was the case in this last autumn; I think it was harmful; and though it may have had some effect in righting the exchanges, yet it increased alarm, and thus did more harm than good.

You think that the change was too violent, and therefore intended to

increase the discredit and panic which existed?—It is my opinion that it had that effect, and that raising the rate of interest to the extent to which it was raised was beyond what the true state of things called for.

You state that you are of opinion, that if the Bank had altered its course of action in August, 1846, the pressure in the April following would not have been severe; by that, you wish the Committee to understand that the Bank should, in your opinion, have raised the rate of interest in the autumn of 1846?—I am of opinion that it would have been better if the Bank had raised their rate of interest earlier; and I think the circumstances of the times called for it; but I should have gone further; it should not have been a mere raising of the rate of interest; I would have gone upon a system of somewhat reducing the figures too.

Do you happen to recollect what the rate of interest was in the money market in August and September, 1846?—I can only speak to a certain degree from guess: I do not think it was above 2 per cent. at that period.

It appears by a return made by the Bank of England to this Committee, that in August, September, and October, 1846, the minimum rate of discount which they charged was  $3\frac{1}{2}$  per cent.; at that time they had upwards of £16,000,000 of treasure, and £9,000,000 of reserve, and the exchange on Paris was 25.75, do you think that in that state of things, that minimum rate of  $3\frac{1}{2}$  per cent. was too low a charge by the Bank of England?—That is a question which involves a great deal in the answer; I really do not know that I can give a very specific answer to it, because it involves this question, the competition of the Bank with the money market; taking it in the more general view of the Bank competing with the monied interest, my experience is adverse to it; but I give my answer with great deference, because it is a question in which I am personally a good deal interested; but I think it does work prejudicially to the public.

Are you of opinion that the Bank can regulate their issues of notes to the public by the influx and efflux of gold into the country?—I think that in a large degree they can, but it must not be the only question that governs them.

What other question should govern them?—I think the question would be the requirements of the public, and the state of things generally, and a variety of matters that may bear upon it, that one cannot specify upon an occasion like the present.

Probably you have seen in the public returns, that the reserve of the Bank of England at this time is upwards of £10,000,000; do you consider that to be a larger reserve than necessary?—Beyond all question.

Supposing that the Bank, in consequence of the state of the exchanges, and the increase of bullion which they have recently had, should be desirous of employing £3,000,000 or £4,000,000 of their reserve, at what rate of interest do you think they could employ it upon good and sufficient security?—In the market in which I operate, they could not employ it at all. They might purchase Consols and Exchequer bills, and securities of that kind, at a high rate of premium, and by so much,



invest their money; but the Bank notes so invested would not remain in the hands of the public, they would flow back to the Bank again in twenty-four hours.

Then you cannot devise any means by which the Bank of England can keep their issue in a state of equilibrium?—It is impossible.

*Advantage of removing the Restrictive Clauses of the Bank Act.*

Do you think, if there had been a discretion vested in the Bank of England, the same as there was prior to the passing of the Act of 1844, taking it for granted that they would exercise at such a period the same caution and discretion which has generally regulated their conduct, that in April and October last the pressure would have been considerably less upon the public than it was?—I think I have already answered that; it is my opinion that there would have been no particular pressure in April, and that the pressure and calamity of the autumn would have been considerably less.

The exchanges in April having been in favor of this country with the whole world, with the exception of North America, would it not have been practicable for the Directors of the Bank of England to form a tolerably accurate estimate what the extent of the drain upon their treasure would be to the United States?—Admitting that there was no foreign drain except for the United States, I think that the Bank of England would be able, with their mercantile knowledge, in a very fair degree to measure the probable exports of bullion to the United States; I think so, inasmuch as the exportations of bullion to the United States are of a different character, and more easily to be ascertained than exportations of bullion to France, and countries so very nearly situated as the continental countries are.

You have stated to the Committee the character and extent of the pressure which took place in London in October last; did you find a great demand for money from your various correspondents in different parts of the country; was an alarm beginning to be felt in consequence of a want of Bank notes, and were persons in the country who are in the habit of lodging cash with you, giving you notice to withdraw their cash?—There was a very general demand upon us for money which was deposited in our hands on the part of our country friends, in October last, from all parts of the country.

Did they go beyond that, and signify to you that they should want you to advance them money?—In very many cases those who had deposits in our hands, not only drew out all their deposits, but actually took money from us; and it was a very general question put to us on the part of most people, whether we would supply them in case it was wanted.

Do you consider that the calamities of the past year have been attended with very serious losses, irrespective of the parties who have actually failed. The question has reference to merchants and commercial men in the City of London?—I have no hesitation in saying, that the loss to the commercial community and the monied interest in 1847, is unprecedented in amount.

Can you form any estimate of the loss sustained by the solvent mercantile houses in the City of London?—I could not venture upon such an opinion.

But it must be very great in your estimation?—Very great indeed; I can only say, beyond all my previous experience.

*Chairman.*—Greater than in 1825?—I think the loss in 1825 was nothing at all to be compared to it.

*Mr. Alderman Thompson.*—Do you see any symptoms of returning prosperity?—I think the symptoms of returning prosperity are good; I have no apprehension with respect to returning prosperity myself.

Upon what do you found that opinion?—I think that consumption is going on, and therefore trade must sooner or later supply that; and price is low, and therefore it is safe to deal in almost any article, and I think there is reason to hope that we shall experience a gradual and safe advancement on the favorable side; it may be checked by the harvest that is coming, if that should be unfavorable, or by political calamities if they arise.

Is the amount of commercial paper now offered for discount, large?—Very limited.

Is money abundant in London?—Money is superabundant, and it is very difficult to employ it.

Is not that a symptom rather of stagnation in trade?—It is a symptom of a limitation of transactions at this time; but the question was, as to the symptoms for the future.

The questions referred to present circumstances?—The present circumstances are, as I have stated, a limitation of transaction and a great superabundance of money; but the prospective symptoms, I maintain, are good.

#### *Overtrading and Accommodation Bills.*

*Mr. Thornely.*—What was the general character of the bills which were in circulation in the year 1847?—Experience has shown that a large proportion of them were of a very unsubstantial character.

And a great proportion of them probably were either unpaid, or were obliged to be renewed when they became due?—A much larger percentage of the bills that fell due were unpaid than I ever before knew.

Were there many renewals in the course of your experience?—Yes, there were a great many renewals.

May it not happen, then, that the difficulties of last year were, to some extent, owing to this, not that there were too few bank notes to be had, but that there were too many bills, many of them accommodation bills, or otherwise of doubtful character?—It is quite clear that there was a great amount of bills of the nature alluded to, and that ought to have been put an end to.

Do not the joint-stock banks in the country re-discount to a great extent in the London money market?—Some of them do, and some of them have a great deal of cash in the London money market; there is a great variety.

Would you say that the joint-stock banks in the country have generally sufficient paid-up capital to conduct their business, or would it



it not be better that they should call for more money from their shareholders and re-discount less?—My apprehension is that the joint-stock banks in general have sufficient paid-up capital; I base my opinion upon this, that in all banking and money-dealing, it is not so much the amount of paid-up capital that is important, as the prudence of management; and so far as my experience has gone, I think very large paid-up capitals have quite as much led to imprudence of management as the contrary.

Still the less the amount of paid-up capital, the greater would be the rate of dividend upon the capital?—That is quite clear.

*Fluctuations in the Rate of Interest.*

Are you at all aware to what extent the rate of discount in certain cases was increased; how high it ever went in the case of respectable houses in the last autumn?—It is a question not very easy to answer; I do not think the value of money rose beyond ten per cent., but there were transactions in which much more interest was charged, but it would not be fair to refer those circumstances solely to the increase in the value of money; for instance, I may have had a bill of exchange offered me to discount, having five days to run, that five days may have gone over a particular point, and I would not part with my cheque, even for five days, without I got a profit upon it; that profit, however small, made a very high rate of interest for five days; it was not because the value of money was generally increased, but it was for a specific five days that was to be got over.

Then would you say that the present system does not tend to produce a very uniform value of money?—Certainly not; the system under the Act of 1844 tends to greater variations in the rate of interest than if we had no such Act.

You have stated that you approved of the management of the Bank before 1844; before that time they very seldom lowered their rate of discount below 4 per cent.; would you say that that was a prudent system?—My apprehension is, that it was a more judicious course never to lower below 4 per cent., but I give this opinion with deference; it is right that the Committee should know that it is a matter upon which I personally am interested; but my apprehension is, that it would be better for the Bank never to go below 4 per cent.

If you have a great deal of interest upon this subject, you have also a great deal of knowledge?—I have some knowledge.

If the Bank is to have a minimum rate of discount, do you think it ought to have also a maximum rate of discount?—I rather lean to the negative upon the raising side.

Do you think that the repeal of the Usury Laws has operated, taking all circumstances into consideration, for the benefit of traders large and small?—I have no doubt that the relaxation of the Usury Laws has operated beneficially to the trade of this country.

You never knew the rate of interest so high as during the late pressure?—I never did; I never knew it so high as in the autumn of 1847.

And you never knew the pressure so great?—No.

Both those circumstances would very materially aggravate the pressure in trade?—Clearly; they affect the trading community very decidedly; injuriously.

*John Horsley Palmer, Esq., Examined.*

*Chairman.*—You are in the direction of the Bank of England?—  
I am.

Will you have the goodness to state to the Committee what you consider to have been the state of trade at the commencement of 1847?—I think it was in a very good state.

You think, generally speaking, trade was in a wholesome state?—  
Yes, I do.

What is the state of the commercial classes now?—Generally speaking, there is a great destruction of credit, and very considerable distress even still, I believe, exists in the manufacturing districts; prices are very low, and great losses attend all importations.

*His objections to the Bank Act.*

What is your opinion of the working of the Act of 1844?—I have not objected to the principle of that Act of forming the issue of notes upon £14,000,000 of securities, and the remainder upon gold and silver; but while entertaining an opinion in favor of that part of the Act, I have not been able to perceive the advantage of the separation of the accounts, in the forms prescribed, and of their weekly publication. The latter, I believe, proved decidedly prejudicial during the year 1847, when the reserve in the banking department was greatly reduced. It further appears to me that other objections to the working of the Act were exhibited upon two different occasions during the past year; the first in April, when the reserve in the banking department was reduced from £5,600,000 to £3,000,000, which imposed upon the Bank the necessity of enforcing contraction, thereby endangering commercial credit, which might have been avoided, had the power of extending the issue at an advanced rate of interest beyond the £14,000,000 upon securities (if required) then existed; the bullion in the issue department, having been £9,300,000, and the foreign exchanges having shortly afterwards turned in favor of this country. The second period, which is the more material of the two, occurred in October last, during a time of great commercial distress, consequent upon the extensive failures which had occurred in August and the succeeding months; the general discredit then prevailing had been the cause of an abstraction of at least £5,000,000 or £6,000,000 of the circulating medium of coin and notes, to replace which, and to uphold the credit of solvent houses, a demand was made upon the Bank to an extent which reduced the reserve towards the end of October, to about £2,000,000, including London and the branches, by which the demand continuing without the power of extension beyond £14,000,000 upon securities, the Bank itself was placed in danger, and the commercial credit of the whole country nearly paralyzed; both which would have been obviated had

the power of extension beyond £14,000,000 then existed on the part of the Bank, and which, if required, could have been acted upon without advancing the rate of interest in the then state of the foreign exchange; deprived of that power, the Bank endeavored to check the growing demand by advancing the rate of interest in September and October to  $5\frac{1}{2}$ , 6, 7, and even 9 per cent. per annum, but which tended to an increase of the demand instead of a diminution, while it aggravated the distress in the manufacturing districts during a period when the foreign exchanges were in favor of the country, and when it was reasonable to expect a moderate rate of interest instead of the high rates then charged by the Bank, which governed the extravagant rates demanded in the money-market; such have been the prominent objections to the working of the Act during the past year. It may further be submitted whether the management of the banking department by repeated fluctuations in the rate of interest, particularly in the years 1844, 1845, and 1846, thereby attempting to act upon the same principle which governs all private banking establishments, is not prejudicial to the public interest, and without benefit to the Bank. The last objection I have to offer to the Act is the limitation of the quantity of silver bullion permitted to be held in the issue department; seeing that silver is equally available with gold for foreign payment, a portion of that restriction might with perfect safety be withdrawn, and thereby greater facilities afforded in meeting an unfavorable foreign exchange.

*Description of the system of management of the Bank adopted  
by the Directors.*

**Chairman.**—From your experience of the constitution of the Bank, do you think that it is capable of improvement?—I do not see in what form an improvement could be effected.

You think that its present constitution is as good as it is possible to be?—That is my opinion.

You think it commands the confidence of the commercial body?—Yes, I think so.

What power have the Governor and the Deputy-governor practically?—They have no power beyond that of acting from week to week between the court days; on certain occasions there is a discretion exercised by them, which being reported at the ensuing court-day, is either confirmed or disapproved, as the case may be.

What is the Treasury Committee at the Bank?—It consists of all gentlemen who have passed through the office of Governor, with, generally speaking, one other individual, who is considered the next to be recommended to succeed the Deputy-governor.

The body of directors meet once a week?—Yes.

What is the distinction between the Treasury Committee and the general body of directors?—There is no other distinction but this; the former is the senior committee of the house.

Is there any distinction in point of management?—They have no power of managing but through the Court; they may recommend measures to the Court; but they have no power of action; they have

upon one or two occasions, within my recollection, taken a responsibility upon themselves in adopting measures which have been afterwards sanctioned by the Court; upon a great emergency, in the year 1832, before I left the chair, and before the adverse foreign exchange terminated, I think the committee authorized a negotiation upon Paris, and the transmission of about £1,000,000 of silver, which I do not think, as far as my memory serves me, came before the Court until after the negotiation had been concluded; I think again, in 1836 or 1837, through the medium of the committee, private credit was used upon Paris through some merchant's house in London, either Rothschild's or some other house.

Are the committee of the treasury in constant sitting?—They sit only once a week, unless specially called together by the Governor.

Are they in the habit of being called together?—Not often

During the difficulties of the last year, were they in constant sitting?—No; they may have been called together three or four times upon some special application for assistance; when the Governor and Deputy-governor took upon themselves the responsibility of granting that assistance, they afterwards obtained the concurrence of the committee of the treasury and the Court of Directors.

Then, from one week to the other, the whole discretion rests upon the Governor and the Deputy-governor?—It does, unless matters arising are of sufficient importance to lead the Governor to call a committee of the treasury together.

Which it appears he rarely does?—He has done so during the last period of difficulty.

But it is not a usual transaction?—It is not the general course.

Consequently, generally speaking, it rests upon the discretion of the Governor and the Deputy-governor?—The Governor and Deputy-governor seldom, if ever, take upon themselves the power of acting without the concurrence of the committee of the treasury, though there have been occasions where they have so acted in advancing the rate of interest; during the last period of distress, they have advanced the rate upon one or two occasions without the immediate concurrence of the committee of the treasury or of the Court at the moment, but it was only for a few days.

Are the Committee to understand that the Governor and Deputy-governor, without communication with either the committee of the treasury or the Court of Directors, have the power of advancing the rate of interest?—They have from court-day to court-day, under special circumstances.

Subject to the approbation afterwards of the Court?—Certainly.

Practically, are the Governor and Deputy-governor in the habit of frequently communicating with the members of the committee of the treasury?—Yes.

Mr. Glyn.—Then everything is finally determined by the Court itself?—Yes; except between the court-days.

The action of the Governor and Deputy-governor is brought before the Court on the next court-day?—Yes.

And the Court either confirm or negative what has been done?—They do.

Then the whole control, in fact, is with the Court of Directors?—  
Yes.

Mr. Alderman *Thompson*.—And the Governor and Deputy-governor have an opportunity of almost daily communications with the members of the committee of the treasury and the members of the Court?—  
Certainly.

Is it not the practice of almost every director, if he is in London, to be in the Bank of England during some portion of the day?—Generally speaking, it is so.

You have described the functions of the committee of the treasury, is not the Bank managed in its several departments, with reference to details, by committees formed of members of the Court of Directors, and are not the proceedings of the committees reported to the Court of Directors, who hold their meetings weekly, for approval?—I think the proceedings of the committees of detail are not reported every week.

In the Bank of England, as in other great establishments, the business is divided into departments, there is a chairman for each department, and a certain number of Directors who are appointed to co-operate with him in the supervision of the particular department as often as occasion arises, when the chairman directs the committee to be summoned, and the business done by that committee is reported at the next meeting?—If there is any important business upon which the proceedings of the committee require to be confirmed, it is reported; but if very trifling, it is not reported.

Every act of the Governor, or the committee of the directors, is reported to the general Court, at the next meeting?—Certainly, if deemed important.

And you consider, therefore, that the act of the Governor and the Deputy-governor is the act of the Court of Directors?—Certainly.

Do you think that in a time of pressure and panic, it is a protection to the Bank of England to be able to raise to a great extent, say to 8 or 9 per cent., the rate of interest?—I think that it is extremely prejudicial to commerce, and that it is totally uncalled for when the exchanges are in favor of this country, which they must be at those times of commercial pressure.

From that answer are the committee to collect that you thought it unnecessary to raise the rate of interest in October last to 8 per cent?—Certainly.

#### *Regulation of the Foreign Exchanges.*

*Chairman*.—Are you in favor of the Bank of England holding foreign stocks?—Except that there is greater risk of fluctuation in foreign stocks, a benefit would be derived from the Bank holding foreign stocks and making foreign payments by selling them, instead of sending over bullion.

But the times when the Bank would want to make those stocks available might be times when there was a fall in the value of those foreign stocks?—That is my great objection to the Bank holding foreign stocks; the want of security in them.

Mr. *Wilson*.—With regard to the negotiation which you suggest of

the Bank of England holding foreign securities, and the facility that that would afford for making foreign payments by arrangements with banks on the continent, are you not of opinion that that is partly done now by the exchange merchants, who are constantly upon the alert to see how they can purchase securities under favorable circumstances, and do you think that the Bank of England could do that better than exchange merchants, who devote their whole attention to it?—I never meant to suggest the propriety of the Bank of England holding foreign securities; that is not a measure that I should advocate, unless the credit of all banks were equal.

*The Bank Act of 1844 the Cause of the Crisis.*

I understand you to say that the evils from which we suffered last year were mainly attributable to the export of bullion for the payment of corn?—I do not believe that any evil would have been suffered last year, for the exchanges turned at the end of April, if it had not been for the provisions of the Act of 1844; I believe, but for that, no evil whatever would have been sustained by commerce.

Then you attribute all the evils to the Act of 1844?—I attribute them to the provisions of that Act which prevented our gaining time to meet the demand.

Do you think that there would have been any run upon the Bank if the banking department had stopped?—It is very improbable that the banking department should have stopped; there are some deposits with the Bank which cannot be reduced; the deposits that I refer to are the deposits of the Exchequer, private deposits, and Bank-post bills; so long as the credit of the Bank is preserved, none of these deposits are likely to be materially affected, and they constitute the largest portion of the Bank deposits.

With reference to the letter that the Government issued to the Bank, are you of opinion that it was issued early enough?—No.

At what time, in your opinion, ought that letter to have been issued?—The great objection I have to the Act is to the restrictive clause existing at any time.

You would entirely throw that clause aside?—Yes, subject to the control of Parliament.

But, under the Act, do you think that they could have relaxed the rule more safely than as it was relaxed?—There would have been no occasion to relax the Act if the restriction had not existed; in fact the Bank never exceeded the reserve; it was the apprehension on the part of the public of a limitation of the power of the Bank that created the alarm itself.

*Convertible Securities held by the Bank.*

Mr. Palmer thinks that Exchequer bills are a better security to hold than Consols. He says, "I have always found, as far as my observation extended, that it was better to hold a certain amount of Exchequer bills in preference to holding stock; but that is not the opinion of the Court generally; they consider it preferable to hold stock rather than Exchequer bills."

*Rate of Interest.*

In the practical operations of the Bank, do you think it undesirable to vary frequently the rate of interest?—I think the rate of interest should never go below a certain point, 4 per cent.

*Effect of the Bank screw on Commerce.*

Mr. Cayley.—The capital we get back upon the rectification of the exchanges affords no compensation for the capital which the country loses during the operation?—None; you have the strongest instance of that in the months of April and October of last year; in the month of April, in consequence of the stringent measures of the Bank, a million and a half of bullion was forced into the country from credit or capital, within a month or six weeks; in October, from the violence of the contraction in November and December; and what is now evidenced in India is the effect of that discredit, and of capital being forced into the country; the East India Company are now bringing £1,000,000 of silver from India, which, I believe, is intimately connected with the depressed state of trade between India and England.

And the pressure produces forced sales?—It stops credit and the British merchant sells his goods for the purpose of carrying on his payment, and brings back his capital at an earlier period than it would come in the ordinary course of trade.

*The Danger of the Bank in October.*

Mr. Spooner.—Was any intimation given to the Bank on the part of bankers having deposits in their hands in the month of October, that if the pressure continued, those deposits would be required?—Not that I am aware of, but the balances would probably have been required to a certain extent.

At that time the reserve in the hands of the Bank was reduced to somewhere about £1,200,000?—Before the Government letter came down we had notes and coin together amounting to £2,000,000 in London and the country.

I think the private deposits of that time amounted to £5,000,000 or £6,000,000?—On the 23rd of October the private deposits were nine millions and a half.

At that time what was the reserve of notes and bullion in the hands of the Bank?—Two millions.

Can you state what was the amount of bankers' balances at that time?—One million six hundred thousand pounds.

In that state of the reserve and deposits, do you still hold the opinion that there was no danger of the deposits being so drawn out of the Bank as to absorb all the notes and all the bullion which they had in their hands?—The reserve in London would not exceed £1,000,000; therefore I conceive that it was quite practicable for the bankers alone to have drawn out that reserve.

Supposing notes came in to you for payment, after that you must have gone with those notes to the Bank of Issue?—We should have gone to the stock market and endeavored to have sold stock at all hazards.

Do you think that under those circumstances any parties would have been found to purchase the stock?—My own opinion is that we should never have succeeded in selling it; but I believe the Governor of the Bank is of a different opinion; he is of opinion that we might have effected a sale. The question has been put to me in another place, whether I thought it practicable that £2,000,000 could have been sold at that time, and to that question I gave an answer, that I thought it could not, but that is a matter of opinion.

If you had failed in your attempt to sell, what would have been the result?—If we could have effected a sale at all, the effect would have been a fall of stock to 60 or 65.

But with regard to the other alternative, if you could not have effected a sale, what would have been the result?—The result would have been that we should have had no notes in the banking department.

Mr. *Glyn*.—Do not you think that, considering the relative position of the private banks of London and the Bank of England, the private banks had a right to expect that if the pressure from the country had continued, and they had been borne upon by their country connexions, the Bank of England would have been in a situation to have given them the accommodation of discounts which they received in 1825?—Certainly.

But the Bank was not in that situation in 1847?—It was not.

Mr. *Hume*.—Was it the operation of the Act of 1844 which prevented the Bank being in that situation?—Certainly.

#### *Rate of Interest.*

Mr. Alderman *Thompson*.—Is not it an advantage to a banker to keep the rate of interest as high as he can?—The prevalence of an exorbitant rate of interest is not for his ultimate advantage, because that which injures trade injures him eventually, though, of course, he keeps his charges for discount as high as the market will justify.

#### *Privileges of the Bank of England should be maintained.*

Mr. *Hume*.—What, in your opinion, would be the effect, if the privileges which the Bank of England now enjoy were removed, and other banking establishments were allowed to act in London as they do in Edinburg, without there being any peculiar privilege or monopoly whatever?—I think it would be a very dangerous experiment.

Do you think it would be dangerous to abolish the privileges of the monopoly which the Bank of England enjoys with respect to circulation and other matters, by having their notes a legal tender, and having certain exclusive privileges within a circuit of so many miles?—I think it would be a great pity to introduce any parties upon the same footing as the Bank of England is; I think that it is best as it is, with respect to the Bank of England being our one great national bank.

The monopoly they have, you think, should continue?—Yes.



Although you admit that they have the power of raising or lowering the value of property as they may think proper to advertise their rate of discounts?—Yes.

*Joshua Bates, Esq. Examined.*

*Chairman.*—You are a partner in the house of Barings?—I am.

How long have you been in business in London?—About thirty years.

Will you have the goodness to tell the committee what you consider the state of trade was in 1846?—The state of trade generally was very prosperous; very active; everything was selling, and merchants were making good profits.

What do you consider to be the present state of things in the city?—Quite the reverse from what it was in 1846.

During your recollection of business, have you ever seen a time when trade has been in a worse condition than it has been during the present year?—Never; nor do I recollect that I ever saw a time when the prospects were so alarming as at present.

Do you remember any time in which the commercial interest has gone through more difficulties than it has done during the last year?—No; I do not recollect anything to be compared to it; I was here in 1825, but I was not sufficiently engaged in business to be able to judge.

*Cause of the Crisis in April.*

Will you have the goodness to state what you consider to have been the immediate cause of the difficulties in April, 1847?—The panic of April, I conceive, was brought on by the Bank being called upon to advance heavily on deficiency bills; the Bank authorities could have done this without producing a panic, but for the necessity of publication, which would have shown the reserve of notes to be almost nothing; that is my view of it; I cannot say that I am correct; but it is believed that their loans would have come in, in the course of two or three days; and, after all, the advances to the government do not go out of the Bank, at least not immediately; all would have gone right but for the necessity of publication; the Bank was thus compelled to borrow on the Stock Exchange, and stop suddenly its advances on securities; this gave the first general intimation to the commercial community of the altered power of the Bank, and the panic ensued; it would have been entirely prevented, however, had the Chancellor of the Exchequer allowed the contractors of the loan the usual privilege of paying up under discount; this he emphatically refused, saying, "that he only wanted the loan as the instalments fell due."

How would that have obviated the difficulty?—Of course, when persons take a loan, they prepare for it by selling stock; if they had been allowed to pay up on discount, they would only have had to deliver stock and to get the money; it would have gone directly into the treasury as fast as it could be turned over, and there would have been no want of funds on the part of the Chancellor of the Exchequer.

*Causes of the Commercial Distress of 1847.*

To what causes do you attribute the difficulties of the country in 1847?—I think it was a combination of causes; the alterations in the tariff, allowing the importation of so many articles free of duty, acted upon by an immense internal expenditure, stimulating importations, to which may be added the failure of the potato crop, in Ireland; these were all aggravated by the stringent clauses of the Bank charter.

Do you believe, then, that if there had been no failure of the potato crop in Ireland, still the year 1847 would have been a year of difficulty?—I do not think it would; if the corn law had been in force, I do not see how it could have occurred; because, however great the internal expenditure stimulating consumption, if it was in home grown corn the price would rise, and the country would receive all the advantage; but when it goes to foreigners, it entirely alters the case.

Do you consider that even if the harvest of 1846 had been a good harvest, yet if the commercial policy had been followed which has been followed, and the corn laws had been repealed, the country would have experienced difficulty?—I think it would; I have no doubt of that; I always considered that the great alterations made in the tariff must lead to a commercial convulsion sooner or later; but it has been hastened certainly by the failure of the potato crop, and by the enormous internal expenditure.

Do you attribute much of the difficulties to the railway expenditure?—Undoubtedly, to the railway expenditure, acting upon the free importation of various articles.

How has that acted so as to produce any of the difficulties of 1847?—It has acted to augment the importations, and thus, by affecting the balance of trade, it has caused the exportation of gold, the contraction of the currency, and all the distress which has followed.

It has, in your opinion, aggravated the evil which would otherwise have arisen from the tariff being reduced?—It has accelerated it; it has produced that in 1847 which would have come gradually perhaps in 1849.

You have stated that you thought that the operation of the Act of 1844 has aggravated the difficulties; will you have the goodness to point out to the Committee in what way it has acted?—It has acted in this way; I think the commercial public were not aware, although perhaps they should have been, that the power of the Bank by this Act was very much reduced; and as I remarked in a previous answer, it was not till April, 1847, that there was what I should call public notice that the power of the Bank was limited; the public had never seen anything like the Bank going to borrow, and then every one said, "The Bank has no power," and began to examine more closely, and fright ensued; but it was very soon allayed then, because there was no real cause of panic at that time.

Do you believe that the pressure in April, 1847, would have arisen, supposing that the Act of 1844 had not been in operation?—It would not, in my opinion, have arisen but for the publication clause; the Bank would have given accommodation without any difficulty.

You are against the publication of the accounts of the Bank?—I think that in the present form it operates injuriously.

You think it is injurious to the general interests of trade?—I think that those out of doors draw improper inferences from it; that the publication might, for example, show a very small amount of notes in the reserve, while the directors of the Bank might be quite certain that there was enough.

Then would you have no publication of the accounts of the Bank?—I suppose now the public have become used to it; it is necessary to have some publication; but I think that once in three months is enough.

*Causes of the Failures in the Corn Trade, &c.*

A great number of mercantile houses failed, but solvent houses that continued their business experienced very great losses, did they not?—Undoubtedly, there have been very great losses to those who have not failed, but to many of those who have failed the losses were very great; I think you may classify the failures.

In what way?—I think there were some who ought to have failed, and some who were ruined by Act of Parliament, and some who failed by reason of the crisis.

Those who ought to have failed, had over-traded beyond their means?—Yes, they had not sufficient means; and that will be the case always, to a certain extent, in every community.

What do you mean by failing by Act of Parliament?—I refer to those who had sugar estates; they were ruined by the Sugar Bill.

You mean by the change of the law with regard to the introduction of sugar?—Yes; then the people engaged in the importation of corn were ruined by Government, I think; in the first place, in 1845, when there was a want of corn, it was ordered secretly to be bought; there was no delusion any where, and a small quantity sufficed; but in 1846, the Government, no doubt from the best motive, thought it was improper to interfere with commerce, and in order not to interfere with it, they ruined it; they bought here, which raised the prices very much; they bought secretly, I suppose; the corn-factors, taking this for a natural demand, sent orders in every direction, and when they got their corn over they found that they were selling in competition with the Government, and the very high prices were in part produced by the Government purchases. I examined several of the corn factors' estates, and they did not appear to me to have over-traded. I know two, more particularly, where there was a capital of £60,000, and it did not appear that they had bought more than £120,000 or £130,000 of corn; they were utterly ruined from the importation being so great; in consequence of the exaggerated notion of the want there was for corn here; and the raising of the prices by the Government purchasing at home, contributed very much to delude the corn-dealers; but I think, in general, with reference to the bankruptcies, it will be found on examination that the dividends are much greater than usual, and there are fewer instances of dishonorable conduct, and that most of the bankrupts have wound up their estates under inspection, which shows what

the commercial community think of them; and I think it is creditable to them that the dividends are so large, many paying in full.

Do you consider that there was any considerable over-trading in the year 1846?—That the country over-traded is very clear, but that commercial men individually over-traded would seem not to be the case, for there was no very large stock of goods on hand; on the contrary, the stock of goods was rather small; and I suppose over-trading means getting more goods than one can sell; on the contrary, everything sold very briskly.

Will you state what you mean by the country over-trading?—A large amount of goods was brought into this country, which the great internal expenditure enabled this country to consume; and, in order to pay for those goods abroad, a large exportation of gold was required; what I mean to say is, that there was more brought into the country than the country could conveniently pay for.

What do you consider to be the prospects of trade for the year coming?—I consider them to be very gloomy indeed in every way.

What do you consider the prospects of trade with America?—I am led to suppose that the Americans will take fewer goods this year than they took in the last year; indeed they are rather pinched for money there, owing to the Mexican war?

*As to the amount of Silver held by the Bank.*

*Chairman.*—Will you have the goodness to state your opinion with regard to silver; do you think that any alteration should be made as to the amount of notes that may be issued on silver?—I think that that should be left also to the discretion of the Directors of the Bank; it works now very absurdly.

Will you point out how it works now?—Supposing to-day the Bank have its proportion of gold and silver, according to the Act, and somebody should call for 400,000 sovereigns, the Bank has to go out immediately and sell £100,000 of silver to make itself right according to the law.

*Mr. Alderman Thompson.*—Or they must export bullion?—Yes; you may export bullion if you like; but at any rate, you take in so many notes; therefore it counteracts the other part of the Act; it reduces the notes instead of £400,000, by 500,000.

*Chairman.*—Do I understand you to say that you would make any alteration in regard to the convertibility of the note; do you mean that you would give silver instead of gold for the note?—By no means; the only convenience is, that silver answers every purpose to supply foreign demand for coin that gold does; it is better, and therefore it matters not to the Bank whether it has a third or half in silver.

Without altering at all the convertibility of the note into gold, you would allow the Bank to keep either gold or silver in its coffers?—Yes; I would leave it to the discretion of the Directors.

How would you make the return in that case; would you make the return distinguishing gold and silver, or would you put them together?—I should put them together, for it is the same in fact; and if you were to return them separately, and the gold were to run rather low, the public would perhaps take alarm.

*Injurious effect of the Bank Act.*

Mr. Alderman *Thompson*.—Is it your opinion that but for the restrictive enactments in the Act of 1844, the Bank might have given all requisite relief to the commercial interests in the year 1847, without occasioning that great alarm and that want of confidence and great scarcity of money which were experienced by the commercial community?—I think they might; I think it will be seen that the exchanges, after the beginning of May, were such as would have restored confidence, but for the conviction on the minds of commercial men of the limited power of the Bank.

Do you think that the plan of raising the rate of discount, as the reserve in the banking department of the Bank of England decreases, is a certain and safe mode of protecting the amount of that reserve from further reduction?—I think not; I think there may be such distress as to compel men to pay even 50 per cent. for the sake of getting money to save their credit.

During the month of October, does not your experience enable you to say that the higher the rate of interest was raised, the greater became the discredit, panic, and alarm throughout the commercial world, and the greater the difficulty of procuring bank notes at any rate of interest?—Certainly it was so.

Therefore, probably that is one reason why you think it unwise for the Bank of England to publish the weekly statements of the reserves on the banking account, because it may lead to the publishing of a small reserve, when the Directors themselves know that within a few days they will receive a considerable accession to that reserve by the repayment of temporary loans, and other means?—Precisely.

*The Exchanges with America.*

Mr. *Cayley*.—Can you give the Committee any statement of the rates of exchange in London, ruling in New York, from January 5th to 29th October, 1847?—Here is a list of them.

RATE OF EXCHANGE at *New York* on London at the following periods, 1847.

|          |          |                                        |         |          |                                        |
|----------|----------|----------------------------------------|---------|----------|----------------------------------------|
| January  | 5 . . .  | 105 $\frac{1}{2}$ a' 105 $\frac{3}{4}$ | May     | 14 . . . | 106 $\frac{3}{4}$ a' 107 $\frac{1}{4}$ |
|          | 20 . . . | 105 $\frac{3}{4}$ a' 106               |         | 30 . . . | 107 $\frac{1}{4}$ a' 107 $\frac{1}{2}$ |
|          | 30 . . . | 106 a' 106 $\frac{1}{2}$               | June    | 14 . . . | 105 $\frac{3}{4}$ a' 106 $\frac{1}{2}$ |
| February | 8 . . .  | 105 $\frac{3}{4}$ a' 106               |         | 29 . . . | 106 a' 106 $\frac{1}{4}$               |
|          | 12 . . . | 105 $\frac{3}{4}$ a' 106               | July    | 7 . . .  | 106 $\frac{1}{4}$ a' 106 $\frac{1}{2}$ |
|          | 24 . . . | 105 $\frac{3}{4}$ a' 106               |         | 14 . . . | 106 $\frac{1}{4}$ a' 106 $\frac{1}{2}$ |
|          | 27 . . . | 105 a' 106                             |         | 31 . . . | 105 $\frac{1}{4}$ a' 106 $\frac{1}{4}$ |
| March    | 2 . . .  | 105 a' 105 $\frac{1}{4}$               | August  | 6 . . .  | 106 a' 106 $\frac{1}{2}$               |
|          | 5 . . .  | 105 a' 105 $\frac{1}{2}$               |         | 13 . . . | 106 $\frac{1}{4}$ a' 106 $\frac{1}{2}$ |
|          | 12 . . . | 104 a' 104 $\frac{1}{2}$               |         | 27 . . . | 106 a' 106 $\frac{1}{2}$               |
|          | 31 . . . | 104 $\frac{1}{2}$ a' 105               | Sept.   | 14 . . . | 108 $\frac{3}{4}$ a' 109               |
| April    | 7 . . .  | 104 $\frac{3}{4}$ a' 105               |         | 29 . . . | 108 $\frac{1}{2}$ a' 109               |
|          | 15 . . . | 105 a' 105 $\frac{1}{2}$               | October | 6 . . .  | 109 a' 109 $\frac{1}{2}$               |
|          | 16 . . . | 105 $\frac{1}{2}$ a' 106               |         | 14 . . . | 109 a' 109 $\frac{1}{2}$               |
|          | 29 . . . | 106 $\frac{1}{4}$                      |         | 29 . . . | 109 a' 109 $\frac{1}{2}$               |

At what rate of exchange in New York is there a profit upon the shipment of gold from this country?—The exchange at  $106\frac{2}{3}$  is at par, taking ordinary charges.

And the other way, sovereigns from New York at  $109\frac{1}{2}$ , bills at 60 days' sight in both cases?—

[*The witness delivered in the Paper, which is as follows :*]

Sovereigns from London to New York, average weight, 5dwts.  $2\frac{1}{2}$  grs., sold at 94 6-10ths cents. per dwt. To cover cost, charges, and loss of interest, remittances must be made from New York at an exchange *under*  $106\frac{2}{3}$ , at sixty days' sight.

Sovereigns from New York to London. To cover costs and charges, bills must be drawn at New York on London *above*  $109\frac{1}{2}$ , at sixty days' sight.

Estimating gold at the Mint price here ( $77.10\frac{1}{2}$ ), and silver at 5.

Par with Paris, in gold, is 25.22; and in silver 25.57.

Par with Hamburg,  $13.10\frac{1}{4}$ .

*Proposed Regulation of the Foreign Exchanges.*

Mr. Cayley.—Has it ever occurred to you whether there might be any substitute for the export of Gold in settling the balance of trade? In answer to that question I have some observations which were put down last April, and which I have brought here to refresh my memory. I should say in answer to that, that the operations of commerce, both foreign and domestic, naturally regulate themselves, and it seems best to let them alone; if there is a redundant currency in any country, prices naturally rise, sooner or later, beyond the level of other markets; importation is encouraged, and exportation is checked; thereby the balance of trade becomes unfavorable, gold goes out, the currency is contracted; prices fall, whereby importation is checked and exports are promoted; this seems all natural, and I see no reason to interfere with it by any legislative enactment; but when crops fail in a moment of quiet in commercial affairs, when the stocks of goods are small, indicating that prices had not been acted upon by the redundant currency, so as to stimulate imports too far, the balance of trade is disturbed by the want of corn, which want requires to be supplied as quickly as possible; therefore gold must go to pay for it, the currency becomes contracted, and prices fall. This was not desirable in April last with regard to the particular import, that was the cause of the difficulty; we wanted corn as quickly as possible, and as we could not force suddenly on foreigners more goods than their markets have been accustomed to take, payment must be made in gold, and by this visitation of Providence, the currency becomes contracted, prices of all commodities fall below the prices of other markets, and the very article of which we stood so much in need was forced into other markets; a considerable exportation of corn having taken place in the month of April last year, while it was very generally believed that we had not enough corn to last till harvest; it appears to me, therefore, that the failure of corn crops should be treated separately from the ordinary evolutions of

commerce, that the same rule is not applicable to the operations of commerce in other merchandize and in corn. It is difficult to estimate the losses occasioned by a money crisis resulting from a failure of crop; but supposing that the amount of goods, raw and manufactured, on hand and in the course of manufacture, may be £100,000,000, and that imports are ordered upon the supposition that the state of prices may be £30,000,000 more, you have £130,000,000 on which there may be a depreciation of at least 20 per cent., caused perhaps by the failure of corn to the extent of 5 or 7 millions.

Has it ever occurred to you, that there might be some operation of credit adopted, in order to assist us to settle the balance of trade?—In the case of a corn failure, it has struck me that there ought to be some power in the Government to create some sort of stock that might be sold abroad, which should be redeemable at the end of one, two, or three years; but then the question comes, supposing the next crop fails, what are you to do? But still I think it is worth trying.

Would that have the effect of diminishing the export of gold?—That would check it altogether, if you could measure the amount of deficiency, and say that it would require £5,000,000 or £6,000,000 to make it good, and create stock to meet that.

That would tend to diminish the evils to commerce, arising from the export of bullion?—If you could, by any process, throw that deficiency over two or three years, the commerce of the country would receive no check, it would go on as before.

Mr. *Wilson*.—You spoke about the creation of stock for the purpose of transmitting money abroad, in the event of an accidental drain of gold, or an accidental turn of exchanges caused by a bad harvest; have you considered what the means would be of disposing of such securities in the market abroad at such a time?—I have considered that, and I think that the securities must bear such an interest as to tempt foreigners to take them; for instance, supposing the failure of the crop to require £4,000,000 or £5,000,000, in place of having the whole commerce of the country disturbed, let the Government create bonds payable in one, two, or three years, which should bear an interest of 7 per cent., if the common rate of interest in the foreign market is 6 per cent., they should sell, and of course would correct the exchange to that extent.

Are you of opinion that at such a time, in the United States or in Russia, from which we import the chief part of our grain, the public would have a sufficient quantity of spare capital to invest in such bonds?—It is only for a short time that you would want the money, and you must be willing to pay a high rate of interest for one, two, or three years, and you must fix such a rate of interest as to tempt people to take them; it is a sacrifice, but the sacrifice is very little compared with the sacrifice which would be made by disturbing all the relations of commerce.

Would you suppose that they should be Government bonds?—I think the Bank of England might issue them.

By what means would you propose that the public should purchase those bonds in order to get hold of the gold?—Parties importing corn



would draw bills, and the party selling the bonds would buy their bills, and counteract the effect of their drafts upon this country, otherwise the bills are drawn there in such quantities as to lower the exchange, and cause people to send the gold out of this country.

The Government would incur a liability by issuing those bonds, but that liability would be, in fact, incurred on account of private individuals importing the grain; how would you arrange between the private individuals who import the grain and the Government who issue the bonds?—The Government would have nothing to do with those individuals; take New York for instance; those individuals would go to New York to buy flour, and the Government agent would also go there to sell the bonds, and the Government would always keep the money.

How would that enable the public to pay for the grain that was imported?—The parties importing that grain would first dispose of their bills; we will, for argument's sake, suppose that those bills were bought by the agent of Government, and paid here when the grain is sold.

But some difficulty appears to exist as regards the settlement of it?—The way in which it could be managed would be this: I, as the agent of Government, would go to New York and borrow money, issue bonds to the extent of £5,000,000, and take bills on London to the extent of £5,000,000 with that money, and a man who wanted to buy corn would go there and draw bills for £5,000,000, if those bills were paid which the corn represents, and I, as the Government agent, should get my money.

But the British importers are the parties who have to pay the money here?—Yes; but in two or three years more the Government will have to return it to meet the bonds at maturity.

Am I to suppose that the Government are to give the importers of corn credit for two or three years?—No; the Government has nothing to do with them; the object is simply to settle the balance.

You must have some means of transferring the money from the Government here to the purchasers?—That will be done in the ordinary evolutions of trade; the Government borrowing the amount they want, take bills; they perhaps take the very bills that are drawn for the corn, or at any rate, they take that amount of bills on London; by taking that amount of bills they prevent the exchange going so low as to cause a large exportation of gold from this country.

But how do you relieve the public who buy corn, by means of the Government issuing those bills; supposing an individual sent an order to New York to purchase wheat, his purchase would cause bills to be drawn against him from New York; is not the effect of drawing those bills upon this exchange, to make it profitable to send gold out of this country?—Yes.

What you propose is, that the Government should send out Government bonds to New York, and sell them in the market, and take the bills which have been drawn against the corn?—Yes, or take any other bills.

And thereby prevent the exchange falling?—Yes.

If the Government take those bills, or whatever they take, those bills would be repaid at maturity?—Yes, and at maturity the Government would have the money here.



Then the Government would have the money in their Treasury, but individuals would still be obliged to pay their bills, and all the inconvenience which the trade suffers now, unless you were to suppose that this money were to be given out to the public, would still be suffered?—There would be no contraction; but if the gold went out, it would cause a contraction of the currency, and all the departments of trade would suffer; by paying gradually for the corn, instead of paying all at once, you take off that pressure upon the currency.

The capital of the houses in London who had imported that corn, would be as much drawn upon in the one case as in the other?—But the currency of the country would not be contracted.

But the merchant who imported £20,000 worth of corn, would have to pay for it out of his capital that he usually employed in his own business?—Yes, and he would sell his corn to meet the bills drawn upon him, and his capital would be returned to him for the bills.

If he sold his corn, the buyers must pay him, and it would come to the same thing?—Precisely; but the national payment is postponed, and the balance of trade is not affected, until the reimbursement of those bonds.

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#### BANK ITEMS.

**WESTCHESTER COUNTY BANK.**—Isaac Seymour, Esq., has been chosen President of the Westchester County Bank, at Peekskill, in place of General Van Cortlandt, deceased. Dorin V. Clapp, Esq., has been elected Cashier, in place of Mr. Seymour.

**LEE BANK.**—Edward S. Chapin, Esq. of Springfield, has been appointed Cashier of the Lee Bank, Lee, Mass.

**THE CANAL BANK OF ALBANY.**—The Comptroller, having reason to suppose this Bank insolvent, early this morning appointed Thomas McMullin and Andrew White, Esqs. of this city, special agents to investigate the affairs of the Bank, so as to protect, as far as possible, the interest of the Safety Fund and its creditors. They immediately entered upon the duties of their office, and closed the doors of the Bank.

The causes which have brought about this unfortunate result are more remote than the recent pressure in the money market, the Bank having been seriously crippled by losses several years since; and there is nothing connected with its failure which should for a moment shake the confidence of the public in the soundness and stability of the remaining Banks of our city, which are amply able to sustain the high position heretofore occupied by them.

The amounts due individual depositors, and for notes in circulation, are very small, and creditors or holders of notes are cautioned against making sacrifices, as the assets are believed to be sufficient to pay all the liabilities of the Bank.

The Bill-holders have the additional protection of the VIIth Section of the VIIth Article of the Constitution, which is as follows :—

In case of the insolvency of any Bank or Banking Association, the Bill-holders thereof shall be entitled to preference in payment over all other creditors of such bank or association.

The Notes of the Country Banks, for whom the Canal Bank has been acting as redeeming agent, will be redeemed by other banks in this city.—[*Albany Journal*, Tuesday, July 11.]

**BANK OF KENTUCKY.**—Andrew M. January, Esq., has been chosen President of the Branch of the Bank of Kentucky, at Maysville, in place of Richard Henry Lee, Esq., resigned.

**NORTH WESTERN BANK OF VIRGINIA.**—Daniel Lamb, Esq., has been elected Cashier of the North Western Bank of Virginia, at Wheeling, in place of John List, Esq., recently deceased.

**CONNECTICUT.**—A new bank is about to be established at Essex, Conn. Capital \$75,000, with liberty to increase it to \$150,000. The bill-holders are to have the first lien on all the property.

**PRATT BANK, BUFFALO.**

COMPTROLLER'S OFFICE, }  
Albany, 28th July, 1848. }

*L. F. Tiffany, Pres't of Pratt Bank, Buffalo.*

Sir :—It appeared from the Books of the Canal Bank of Albany, that your bank was indebted to that institution \$91,000, an amount calculated to arouse at once a strong suspicion of your stability. I therefore commissioned Joseph Saltar, Esq., to investigate your affairs. I have this day received his report, and am gratified to learn from it, that after a thorough examination of your books, papers, and officers, no such indebtedness appears, and that the affairs of your bank are in a sound condition and prudently managed. Very respectfully, yours,

MILLARD FILLMORE, *Comptroller.*

**PLYMOUTH BANK.**—Isaac L. Hedge, Esq., has been elected President of the Plymouth Bank, (Mass.) in place of N. M. Davis, Esq., deceased.

**NEW BANKS.**—A new bank will soon commence operations at Somerset, New Jersey, entitled the Somerset County Bank. Joshua Dougherty, President; William G. Steele, Cashier.

A new bank, entitled the Putnam County Bank, has been established at Farmers' Mills, N. York. David Kent, President; S. Gregory, Cashier.

A bank has been established at Newton Corner, (Mass.) with a capital of \$200,000.

The Bank of Hallowell has been chartered by the legislature of Maine.—[*Willis' Bank Note List.*]

**PLAINFIELD BANK.**—*Dividend.* By virtue of an Order, a Decree of the Court of Chancery of New Jersey, the subscribers, Receivers of the Plainfield Bank, will pay the certificates heretofore issued by them IN FULL according to the respective amounts thereof, upon presentation

at their office, 259 Broad Street, Newark, N. J., between the hours of 10 A. M. and 3 P. M. The certificates must be endorsed by the persons to whom they were given and surrendered to the Receivers.

|                     |                     |
|---------------------|---------------------|
| Jos. C. HORNBLOWER, | } <i>Receivers.</i> |
| JOHN S. DARCY,      |                     |
| JOEL DUNN,          |                     |
| DANIEL DODD, JR.    |                     |

NEWARK, N. J., *August 24, 1848.*

**AGRICULTURAL BANK OF HERKIMER.—*July 14, 1848.***

This Institution is now in a condition to say to the public, that its circulating notes are now secured wholly by the Stocks of the State of New York, and bonds and mortgages on cultivated real estate within the Valley of the Mohawk, (about  $\frac{3}{4}$  stock, the balance bonds and mortgages.) And that the Arkansas stocks which have formerly been used as security for a portion of its circulating notes, have been withdrawn from the Comptroller.

C. T. E. VAN HORNE, *President.*

**SCHUYLKILL BANK FUND.**—J. R. Tyson, yesterday, made application to the Common Pleas to permit the investment of \$49,000, belonging to the Schuylkill Bank, in city 6's at an interest of 5 per ct. The application was made with the knowledge and approbation of the agent of the Bank of Kentucky, and Mr. Charles Macalester was proposed as additional security for the amount. The court made the order, the proposed investment being a good one, and for all parties concerned.—[*Philadelphia Ledger.*]

**BANK OF BRATTLEBORO.**—The capital of the Bank of Brattleboro, Vermont, has been increased \$25,000 during the present year, making the aggregate \$100,000.

**FARMERS' BANK OF MARYLAND.**—Godfrey Koontz, Esq., has been elected Cashier of the Branch Farmers' Bank of Maryland, at Frederick, in place of Cyrus Mantz, Esq.

**COMMERCIAL AND FARMERS' BANK.**—Thomas Meredith, Esq., has been elected President of the Commercial and Farmers' Bank, Baltimore, Md., in place of Elie Clagett, Esq. deceased.

**UTICA CITY BANK.**—A new bank has been established at Utica, under this title, with a capital of one hundred and twenty-five thousand dollars. Hiram Denio, Esq., has been chosen President; Charles S. Wilson, Esq., Cashier, and Jared E. Warner, Vice-President.

**DOYLESTOWN BANK.**—Charles E. Dubois, Esq., has been chosen President, and J. Hart, Esq., Cashier of the Doylestown Bank of Bucks County, (Penn.)

**WATERBURY (CONN.) BANK.**—Pursuant to notice, the books for subscription to the capital stock of the Waterbury Bank were again opened in this village, on the 5th instant, when the sum of \$240,000 was sub-

scribed, being an excess of \$40,150 over the capital, and the subscriptions were reduced by the Commissioners to the sum of \$200,000.

Upon looking over the list of stockholders we cannot avoid saying that a more substantial list of names we never saw appended to a subscription—and it is apparent at a glance, that the stock is taken for a permanent investment, and by those abundantly able to hold it.

At a meeting of the Directors, Bennet Bronson, Esq., was unanimously elected President. As soon, therefore, as the preliminary arrangements can be completed—such as procuring a Banking House, plates for bills and selecting a Cashier, the Bank will commence business.—[*Waterbury American*, September, 1848.]

**NEW BANK IN BOSTON.**—The Grocers' Bank has commenced business at Boston, with a capital of \$250,000. Cashier, William H. Foster, Esq., and President, S. G. Reed, Esq. The banking capital of Boston, with this increase, now amounts to upwards of nineteen millions of dollars, being more than double that of Philadelphia.

**BANKS OF NEW HAMPSHIRE.**—The semi-annual returns of the New Hampshire Banks show the following items for June, 1848.

|                                                                 | <i>Loans.</i> | <i>Deposits.</i> | <i>Circulation.</i> | <i>Specie.</i> |
|-----------------------------------------------------------------|---------------|------------------|---------------------|----------------|
| June, 1848, . . . . .                                           | \$3,613,736   | \$443,332        | \$1,514,420         | \$161,711      |
| June, 1847, . . . . .                                           | 3,395,745     | 537,058          | 1,512,081           | 144,018        |
| The amount of Real Estate held by all the Banks, (21) . . . . . |               |                  |                     | \$26,588       |
| Amount of Capital, . . . . .                                    |               |                  |                     | 2,088,000      |

**NEW ORLEANS, August 26, 1848.**

#### MOVEMENT OF THE BANKS.

| <i>Specie Paying.</i>             | <i>Cash Liabilities.</i> | <i>Assets.</i> | <i>Circulation.</i> | <i>Specie.</i> |
|-----------------------------------|--------------------------|----------------|---------------------|----------------|
| Bank of Louisiana, . . . . .      | \$3,465,128              | \$4,561,989    | \$1,077,489         | \$2,565,740    |
| Canal Bank, . . . . .             | 2,481,561                | 3,105,206      | 859,698             | 1,260,439      |
| City Bank, . . . . .              | 1,365,485                | 2,349,977      | 669,050             | 596,295        |
| La. State Bank, . . . . .         | 1,830,030                | 2,804,666      | 535,230             | 1,329,857      |
| Mechanics and Traders', . . . . . | 2,431,181                | 3,328,103      | 669,265             | 1,674,380      |
| Union Bank, . . . . .             | 209,118                  | 552,881        | 26,205              | 170,664        |
| <i>Non-Specie Paying.</i>         |                          |                |                     |                |
| Citizens' Bank, . . . . .         | 765,475                  | 60,368         | 256,740             | 10,837         |
| Consolidated Bank, . . . . .      | 1,985,656                | 10,532         | 1,883,805           | 4,137          |
| Total, . . . . .                  | \$14,435,633             | \$16,773,722   | \$6,007,279         | \$7,612,400    |

#### DEATHS.

**AT CAMDEN, DELAWARE,** on Tuesday, 11th July, Jonathan Jenkins, Esq., President of the Farmers' Bank of Delaware.

**AT BALTIMORE,** on Thursday, 17th August, Elie Clagett, Esq., President of the Commercial and Farmers' Bank of Baltimore, in the 67th year of his age.

**AT CHAMBERSBURG, PENN.,** on Sunday, 10th September, 1848, Thomas G. McCulloh, Esq., President of the Chambersburg Bank, aged 63 years.

## Notes on the Money Market.

NEW YORK, SEPTEMBER, 25, 1848.

The past month has exhibited no material changes nor important features in the money market. Business generally may be considered as in a favorable condition throughout the country, although some few interests are suffering from the political troubles abroad and from the tariff operations at home—viz: Cotton and Iron.

Our great staple, Cotton, the bone and sinew of our foreign trade, and the real basis of the wealth and prosperity of our country, is now depressed to such a point as not to afford a remunerating price to the planter, while at the same time the aggregate value of the foreign export shows a difference of twenty or thirty millions in the result of the year.

This added to a meagre crop in South Carolina, has in that particular section of country produced some trouble. It seems that the aggregate receipts at Charleston this year have been only 263,000 bales, against 350,000 for the previous year. This short supply, with a fall of 50 per cent. in price, has of course affected business in a large degree in that State. The aggregate crop has been, however, very large throughout the South-West, as will appear by the following recapitulation, viz:

|                           |           |                          |         |
|---------------------------|-----------|--------------------------|---------|
| At New Orleans, . . . . . | 1,199,000 | Florida ports, . . . . . | 152,000 |
| Mobile, . . . . .         | 435,000   | Virginia, . . . . .      | 10,000  |
| Savannah, . . . . .       | 246,000   | Texas, . . . . .         | 40,000  |
| Charleston, . . . . .     | 263,000   |                          |         |

Being an aggregate of . . . . . bales 2,335,000  
Against receipts for the year 1846-7, . . . . . " 1,773,000

Had the prices of last year been sustained by those of the present, we would now be in a more flattering condition, and the heavy exports of coin from New York, &c. to Europe would have been avoided.

To show the great fall in the value of our Cotton to Europe, we annex the following table from that highly valuable statistical journal, the New Orleans Price Current.

*Comparative prices of Middling to Fair Cotton, at New Orleans, for the years 1843 to 1848.*

|                    | 1847-48   | 1846-47    | 1845-46   | 1844-45   | 1843-44   |
|--------------------|-----------|------------|-----------|-----------|-----------|
|                    | Cents.    | Cents.     | Cents.    | Cents.    | Cents.    |
| September, . . .   | 10½ to 12 | 7½ to 9    | 7¼ to 8½  | 6 to 7½   | 5½ to 8   |
| October, . . .     | 10 to 11  | 8½ to 10   | 6½ to 8½  | 5½ to 7½  | 7 to 8½   |
| November, . . .    | 7½ to 8½  | 9 to 10½   | 7 to 8    | 5½ to 6½  | 6½ to 8   |
| December, . . .    | 6½ to 7½  | 9 to 10½   | 6½ to 7½  | 4½ to 6½  | 7½ to 8½  |
| January, . . .     | 6½ to 7½  | 10 to 11½  | 6½ to 7½  | 4½ to 6½  | 8½ to 10½ |
| February, . . .    | 6½ to 8   | 11½ to 13  | 7½ to 7½  | 4½ to 6½  | 8½ to 10  |
| March, . . .       | 6½ to 7½  | 9½ to 11   | 6½ to 8½  | 5 to 6½   | 8½ to 9½  |
| April, . . .       | 6½ to 7½  | 10½ to 11½ | 6½ to 8½  | 5½ to 7½  | 7½ to 9½  |
| May, . . .         | 5 to 6½   | 10½ to 12½ | 6½ to 8½  | 5½ to 7½  | 6½ to 8½  |
| June, . . .        | 5½ to 7½  | 9½ to 11½  | 6½ to 8   | 5½ to 7½  | 7 to 8½   |
| July, . . .        | 5½ to 7½  | 9½ to 10½  | 6½ to 8   | 6½ to 7½  | 6½ to 8½  |
| August, . . .      | 5½ to 7½  | 10½ to 12  | 7 to 8½   | 6½ to 7½  | 6½ to 8   |
|                    | Bales.    | Bales.     | Bales.    | Bales.    | Bales.    |
| Receipts N. O. . . | 1,188,733 | 707,324    | 1,053,633 | 979,238   | 910,854   |
| Crop of U. S. . .  | 2,350,000 | 1,800,000  | 2,100,537 | 2,400,000 | 2,030,409 |

We rely upon a more favorable condition of commercial and political affairs in Great Britain and on the Continent, to produce a better feeling here for our own foreign trade. A rise in bread stuffs abroad is to be deprecated. It produces distress there and inflation here. To this cause was mainly attributed the commercial distress in Great Britain in April, 1847, the inflation in this country, and the *present re-action* against us. It may perhaps be said with truth, that this country will be better off if not a single barrel of flour should be exported to Europe for ten years to come. Let them keep their Iron and we keep our Grain, and there will be a more even tenor of the money market.

THE  
BANKERS' MAGAZINE,  
AND  
State Financial Register.

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VOL. III.

NOVEMBER, 1848.

No. V.

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GRACE ON SIGHT BILLS.

Cases have recently arisen in the Courts of New York and Louisiana, wherein it has been decided that Bills at Sight are entitled to grace.

This is at variance with ordinary usage among the Banks of New York, Philadelphia and Baltimore, although recognised for many years at Boston.

Our readers will find this subject discussed at page 144 of the present volume, in an article written by the Cashier of one of the Virginia Banks. It is a point of great importance to bankers and brokers, and it is desirable that the subject should be closely examined by those who deal in commercial paper.

While any uncertainty exists upon the point in question, it would be prudent for those who purchase bills payable at sight, to take them with the words "*without grace*" inserted.

Our banking friends should be provided with "Story on Bills," and also with "Byes on Bills of Exchange," published at Philadelphia, 1848.

The following cases and extracts will furnish our readers with the latest authorities upon these topics:

*Grace on Sight Bills.*

Alanson Trask et al. vs. Warwick Martin and Joseph S. Lake.—This was a suit on a sight bill drawn by Martin & Co., of New Orleans, on James S. Lake & Co., New York. The cause was tried in the New York Common Pleas, before Judge Ingraham, on the 9th October, 1848. E. Terry, Esq., for the plaintiffs produced the original draft, proved the signatures of the drawers, that the bill was presented for payment and duly protested for non-payment, and notice given, and here rested the case.

Edwards Pierrepont, Esq., the defendant's counsel, thereupon moved for a non-suit, on the ground that the bill had not been presented for acceptance, and that grace had not been allowed; and insisted that sight bills were entitled to the same days of grace as time bills, and fortified

this position by citing many English and American authorities. The court after holding the case under advisement, sustained the position taken by the defendant's counsel and granted the non-suit.

*New York, October, 1848.*

A very important case has lately been decided in New Orleans, which appears to have created considerable excitement in that city, and the decision will, if confirmed by the Supreme Court of Louisiana, lead to a revolution in the system of drawing drafts, upon this and other northern cities. It seems that a certain banking firm in New Orleans had drawn several bills, payable at sight, upon their correspondent banking establishment in New York, which bills were not paid on presentation, the drawers failing between the time of the drawing of the bills in New Orleans, and their arrival in New York. The bills were protested on the first day of presentation and refusal to pay, and returned for recourse against the drawers. The latter, being sued, pleaded in defence that three days of grace were not allowed on the bills, and that the demand and protest should have been made on the third day following the first demand. The holders of the bills replied that, by custom of merchants in New York, no days of grace upon sight bills were given, and that it was usual to protest on a first refusal, and offered to prove this by the evidence of a number of exchange dealers. To the introduction of evidence to this effect the defendants (drawers of the bills) objected, because the elementary writers and the various judicial dicta held very positively that days of grace must be given on sight drafts, and no evidence of custom could be admitted to control or vary positive law. The learned judge concurred with the defendants' counsel, and the plaintiffs, holders of the bills, were non-suited.

*Merchants' Magazine.*

*Boston, Aug. 25, 1848.*

*To the Editor of the Bankers' Magazine :*

Our Banks have always considered that drafts *at sight* were entitled to three days of grace, and this you are aware is the doctrine maintained by all the modern treatises on Bills of Exchange. It was formerly the practice here not to allow days of grace on promissory notes, unless the words "with grace" formed a part of the notes. As this sometimes gave rise to questions between parties, a law was passed in 1824, declaring bills of exchange and promissory notes to be entitled to grace. I am aware that a different *usage* has prevailed with the Banks of N. Y. and other cities, but I have always considered that they assumed a great responsibility, as it is well known that our Courts never allow *usage* to take the place of an established principle of law, or to be pleaded as an excuse for its infraction. This usage has at length come under the cognizance of the Courts of Louisiana, and the holders of a bill drawn on N. Y. payable at sight, were non-suited on the ground that the bill was protested before the expiration of the days of grace. You no doubt have seen a report of the case, if not, you will find a notice of it in Hunt's Magazine, vol. 19, No. 2, August, 1848.

Our Banks have been thrown into some embarrassment in conse-

quence of a decision of the late Justice Story. In a case which was tried before him in 1841, he designated drafts on *banks* as *checks*, and declared that they were not entitled to grace, not only drafts at sight, but also those payable on a day certain. Since then, our banks have considered that their security required that they should protest on the first day for non-payment, and again on the third day of grace for non-payment.

A CASHIER.

The following Extracts are from Byles' Treatise on Bills of Exchange.

*Of the Presentment for Acceptance.*

Advisable in all cases. Necessary where Bill is drawn at or after sight. When to be made. At what hour. Excused by putting Bill in Circulation. Or by other reasonable Cause. To whom it should be made. What time may be given to the Drawee. Consequence of Negligence in Party presenting. Proper Course for Holder when Drawee cannot be found, or is dead. Pleading.

It is in all cases advisable for the holder of an unaccepted bill to present it for acceptance without delay; for, in case of acceptance, the holder obtains the additional security of the acceptor, and, if acceptance be refused, the antecedent parties become liable immediately. It is advisable, too, on account of the drawer, for, by receiving early advice of dishonour, he may be better able to get his effects out of the drawee's hands.

But presentment for acceptance is not necessary in the case of a bill payable at a certain period after date. It is said, however, that it is incumbent on a holder who is a mere agent, and on the payee, when expressly directed by the drawer so to do, to present the bill for acceptance as soon as possible; and that, for loss arising from the neglect, the payee must be responsible, and the agent must answer to his principal.

Presentment for acceptance is necessary, if the bill be drawn payable at sight, or at a certain period after sight. Till such presentment there is no right of action against any party; and unless it be made within a reasonable time, the holder loses his remedy against the antecedent parties.

What is a reasonable time, depends on the circumstances of each particular case, and is a mixed question of law and fact; although reasonable time in general, and reasonable time for giving notice of dishonour in particular, is clearly a question of law. Plaintiff, on Friday, the 9th, at Windsor, twenty miles from London, received a bill on London, at one month after sight, for £100. There was no post on Saturday. It was presented on the Tuesday. The jury thought it was presented within a reasonable time, and the Court concurred.

A bill drawn by bankers in the country on their correspondents in London, payable after sight, was indorsed to the traveller of the plaintiffs. He transmitted it to the plaintiffs after the interval of a week, and they, two days afterwards, transmitted it for acceptance. Before it was presented to the drawees, the drawer had become bankrupt; the drawees, consequently, refused to accept. Had the bill been sent by the traveller to the plaintiffs, his employers, as soon as he received it,



they would have been able to get it accepted before the bankruptcy. "This is," says Lord Tenterden, "a mixed question of law and fact; and, in expressing my own opinion, I do not wish at all to withdraw the case from the jury. Whatever strictness may be required with respect to common bills of exchange, payable after sight, it does not seem unreasonable to treat bills of this nature, drawn by bankers on their correspondents, as not requiring immediate presentment, but as being retainable by the holders for the purpose of using them, within a moderate time (for indefinite delay, of course, cannot be allowed,) as part of the circulating medium of the country." The jury concurred with his lordship, that the delay was not unreasonable. Where the purchaser of a bill on Rio Janeiro, at sixty days' sight, the exchange being against him, kept it nearly five months, and the drawee failed before presentment, it was held that the delay was not unreasonable. "The bill," says Tindal, C. J., "must be forwarded within a reasonable time under all the circumstances of the case, and there must be no unreasonable or improper delay. Whether there has been, in any particular case, reasonable diligence used, or whether unreasonable delay has occurred, is a mixed question of law and fact, to be decided by the jury, acting under the direction of the Judge, upon the particular circumstances of each case."

But where a bill, payable after sight, was drawn in duplicate on the 12th of August, in Newfoundland, and not presented for acceptance in London till November 16, and no circumstances were proved to excuse the delay, it was held unreasonable, the Court laying some stress on the fact that the bill was drawn in sets.

Presentment should be made during the usual hours of business.

The holder may, however, put the bill into circulation without presenting it. "If a bill, drawn at three days' sight," says Mr. Justice Buller, "be kept out in circulation for a year, I cannot say that there would be laches; but if, instead of putting it into circulation, the holder were to lock it up for any length of time, I should say that he would be guilty of laches." "But this cannot mean," says Tindal, C. J., "that keeping it in hand for any time, however short, would make him guilty of laches. It never can be required of him instantly on receipt of it, under all disadvantages, to put it into circulation. To hold the purchaser bound by such an obligation would impede, if not altogether destroy, the market for buying and selling *foreign bills*, to the great injury, no less than to the inconvenience, of the drawer himself." Two bills, one for £400 the other for £500, were drawn from Lisbon, on May 12, at thirty days after sight, indorsed to G. at Paris, and by G. to R. at Genoa, and by R. endorsed over. They were not presented for acceptance till 22nd August. The jury found, and the Court concurred, that the bills were, under the circumstances, presented within a reasonable time.

Illness or other reasonable cause, not attributable to the misconduct of the holder, will excuse. But the holder must present, though the drawer have desired the drawee not to accept.

The presentment must be made either to the drawee himself, or to his authorised agent. The holder's servant called at the drawee's

residence, and showed the bill to some person in the drawee's tan yard, who refused to accept it; but the witness did not know the drawee's person, nor could he swear that the person to whom he offered the bill was he, or represented himself to be so. Lord Ellenborough, "The evidence here offered proves no demand on the drawee, and is, therefore, insufficient."

When the bill is presented, it is reasonable that the drawee should be allowed some time to deliberate whether he will accept or no. It seems that he may demand twenty-four hours for this purpose, (and that the holder will be justified in leaving the bill with him for that period;) at least, if the post do not go out in the interim or unless, in the interim, he either accepts or declares his resolution not to accept. If more than twenty-four hours be given, the holder ought to inform the antecedent parties of it.

If the owner of a bill who leaves it for acceptance, by his negligence enables a stranger to give such a description of it as to obtain it from the drawee, without negligence on his part, the owner cannot maintain trover for it against the drawee.

In case the bill is directed to the drawee at a particular place, it is to be considered as dishonoured if the drawee has absconded. But, if he have merely changed his residence, or if the bill is not directed to him at any particular place, it is incumbent on the holder to use due diligence to find him out. And due diligence is a question of fact for the jury. If the drawee be dead, the holder should inquire after his personal representative, and, provided he live within a reasonable distance, present the bill to him.

In an action against the drawer on non-acceptance, it is not sufficient to allege mere non-acceptance, presentment for acceptance must be alleged.

### *Of Presentment for Payment.*

A personal demand on the drawee or acceptor is not necessary. It is sufficient if payment be demanded at his usual residence or place of business, of his wife or other agent; for it is the duty of an acceptor, if he is not himself present, to leave provision for the payment. And it is sufficient if payment be demanded of an agent who has been authorized to pay, or has usually paid bills for the drawee. Thus, where a country bank note was made payable both at Tunbridge and in London, presentment in London was held sufficient, though it was proved, that, had it been presented at Tunbridge, the nearest place, it would have been paid.

The bankruptcy or insolvency of the drawee is no excuse for a neglect to present for payment; for many means may remain of obtaining payment, by the assistance of friends or otherwise. It has been held in the King's Bench, that the shutting up of a bank, when any demand there made would have been inaudible, is substantially a refusal by the bankers to pay their notes, to all the world. But it was decided in the same case, on error in the Exchequer Chamber, that an allegation in the declaration, that the makers became insolvent, and ceased, and wholly declined, and refused, then and thenceforth to pay, at the place specified,

any of their notes, is insufficient, not being an allegation of presentment. But it is conceived, notwithstanding the observations of the Court in the last case, that it cannot be necessary for the holders of the notes of a bank which had notoriously stopped payment, to go through the empty form of carrying notes up to the bank doors, and then carrying them home again.

A presentment for payment is now decided not to be necessary in order to charge a man who guarantees the due payment of a bill or note. And it had before been held that where a party was guarantee for the vendee of goods, who had accepted a bill for the amount, and then became bankrupt, the notorious insolvency of the vendee was sufficient so far to excuse the drawer as to enable him to charge the guarantee, unless it could have been shown that the bill would have been paid, if duly presented, though it would have been otherwise in an action on the bill.

If the drawee has shut up his house, the holder must inquire after him, and attempt to find him out.

If the drawee be dead, presentment must be made to his personal representatives; and, if, he have none, then at his house.

If the holder die, presentment should be made by his personal representatives.

In treating of the *time when* presentment is to be made, it will be necessary to consider, first, how, on the various sorts of bills, time is computed, and then on what bills, and to what extent, days of grace are allowed.

In acts of Parliament, in deeds, and in legal proceedings, the word *month* is taken to mean a lunar, and not a calendar month, unless there be something in the context to indicate the latter sense; but in matters ecclesiastical, and by the custom of trade, in bills and notes, a month is deemed to be a calendar or solar month. The inequality in the length of the respective months may sometime occasion a difficulty; but it is said to be a rule not to extend the time at which the bill falls due beyond the month in which it would have fallen due, had that month been of the length of thirty-one days. Thus, if a bill at one month be drawn on the 31st of January, it will be due on the 28th of February, and, with the days of grace, payable on the 3rd of March.

When a bill is drawn at a certain number of days after date, or after sight, those days are reckoned exclusively of the day on which the bill is drawn or accepted, and inclusively of the day on which it falls due.

We have already observed, that on a *bill* the words "after sight" are equivalent to "after acceptance;" for sight ~~must~~ appear in a legal way. If a *note* be made payable at sight, it must be presented, before action brought against the maker.

*Usance* is the period which in early times it was usual to appoint between different countries for the payment of bills.—When usance is a month, half usance is always fifteen days, notwithstanding the unequal length of the months. An usance between London, Aleppo, Altona, and Amsterdam, Antwerp, Brabant, Bruges, Flanders, Geneva, Germany, Hamburgh, Holland and the Netherlands, Lisle, Middleburgh, Paris or Amsterdam, Rotterdam and Rouen, is one calendar month; between

London and the Spanish or Portuguese towns, two calendar months; between London and Genoa, Venice, or places in Italy, it is three calendar months.

It is said that all the countries with which the English are in the habit of negotiating bills, computed their time by the new style, with the single exception of Russia. In the case of bills drawn in a place using one style, and payable in a place using another, if drawn payable at a certain period after date, they fall due as they would have done in the country in which they were drawn. Thus, a bill drawn Feb. 1, in London, on St. Petersburg, at one month, would be payable without the days of grace, on March 1, in our calendar; and, as it was drawn on Jan. 21, old style, it would fall due on Feb. 21, in the Russian calendar. But, if the bill were drawn payable at a day certain, or at a certain period after sight, the time must then be reckoned according to the style of the place on which it is drawn.

*Days of grace* are so called, because they were formerly allowed the drawee as a favour; but the laws of commercial countries have long since recognised them as a right. The number of these days varies in different places. Mr. Kyd gives the following table, which, however, has been altered in many places since his day, by the substitution of the French code, and other circumstances:—

“Great Britain, Ireland, Bergamo and Vienna, three days.

“Frankfort, out of the fair-time, four days.

“Leipsic, Naumburg and Augsburg, five days.

“Venice, Amsterdam, Rotterdam, Middleburgh, Antwerp, Cologne, Breslau, Nuremburg and Portugal, six days.

“Dantzic, Koningsberg and France, ten days.

“Hamburgh and Stockholm, twelve days.

“Naples, eight; Spain, fourteen; Rome, fifteen; and Genoa, thirty days.

“Leghorn, Milan and some other places in Italy, no fixed number.

“Sundays and holidays are included in the respite days, at London, Naples, Amsterdam, Rotterdam, Antwerp, Middleburg, Dantzic, Koningsberg and France; but not at Venice, Cologne, Breslau and Nuremberg. At Hamburgh, the day on which the bill falls due makes one of the days of grace; but it is not so elsewhere.”

Three days of grace are allowed in North America, at Berlin, and in Scotland.

At Rio de Janeiro, Bahia and other parts of Brazil, fifteen days.

At St. Petersburg, ten days on bills after date; three days on bills at sight, ten days on bills received and presented after they are due.

At Trieste and Vienna, three days on bills after date.

The three days grace allowed in this country are reckoned exclusive of the day on which the bill falls due, and inclusive of the last day of grace.

Where there are no days of grace, and the bill falls due on a Sunday, Christmas-day, Good Friday, public fast or thanksgiving day, or where the last of the days of grace happens on such a day, the bill becomes payable on the day preceding; and if not then paid, must be treated as dishonoured.

A presentment for payment before the expiration of the days of grace is premature, and will not enable the holder to charge the antecedent parties.

Days of grace are allowed on promissory notes, as well as on bills. They are allowed, whether the bill or note be made payable on a certain event, or at a certain day, or at a certain number of years, months, weeks or days, after date or after sight, or at usance, or by instalments. But they are not allowed on bills or notes payable on demand. Whether days of grace are allowed on bills payable *at sight*, seems yet undecided. The weight of authority has been considered to incline in favour of such an allowance.

If days of grace are to be allowed on bills payable at sight, the time when they should be presented has already been considered, in the Chapter on *Presentment for Acceptance*. If not, then they stand on the same footing as bills payable indefinitely, and bills payable on demand.

We have already seen that the time which bills payable *after sight* have to run is computed from the date of the acceptance; a note payable at a certain period after sight is payable at that period after presentment for sight. So, if, some time after a refusal to accept, a bill, payable after sight be accepted *supra protest*, the time is calculated, not from the date of the exhibition of the bill to the drawee, but from the date of the acceptance, *supra protest*.

Bills and notes payable on demand, and checks, must be presented within a reasonable time. What is a reasonable time seems to be a law. And such a decision is conformable with the principles of law. "Reasonable time," says Lord Coke, "shall be adjudged by the discretion of the justices before whom the cause dependeth; and so it is of reasonable fines, customs and services, upon the true state of the case depending before them; for reasonableness in these cases, belongeth to the knowledge of the law, and therefore, to be decided by the justices. *Quam longum esse debet non definitur in jure, sed pendet ex discretione justiciariorum*. And, this, being said of time, the like may be said of things incertaine, which ought to be reasonable; for nothing that is contrary to reason is consonant to law." Besides, the opinions of jurors have been so various, that there can be no certainty on the subject, unless it be held to be a question of law. Yet we have seen, that what is a reasonable time within which to present for acceptance a bill drawn payable after sight has been held a question of fact to the jury, and the same point has been ruled as to the time of presentment for payment of a note payable on demand.

A man taking a bill or note payable on demand, or a check, is not bound, laying aside all other business, to present or transmit it for payment the very first opportunity. It has long since been decided, in numerous cases, that, though the party by whom the bill or note is to be paid live in the same place, it is not necessary to present the instrument for payment till the morning next after the day on which it was received. And later cases have established, that the holder of a check has the whole of the banking hours of the next day within which to present it for payment.

Negotiable instruments payable on demand may be distributed into

several classes, and the time within which they ought to be presented for payment, and the consequences of a failure to make due presentment, are not precisely the same in every class.

Negotiable instruments payable on demand are common commercial bills of exchange, checks, common promissory notes, bank notes, and bankers' cash notes and bankers' bills.

It is conceived that a common bill of exchange payable on demand ought, if the parties live in the same place, to be presented, the next day after the payee has received it. If the bill must be sent by post to be presented, it ought to be posted on the day next after the day on which it was received, and that the person who receives it by post, that he may present it should do so on the day next following the day on which he receives it.

Such, also, are the general rules regulating the presentment of bankers' checks, which are really bills of exchange; but as checks on bankers are now extremely common it has been thought convenient to discuss the presentment of checks more in detail in the Chapter relating to checks.

A common promissory note payable on demand differs from a bill payable on demand, or a check, in this respect: the bill and check are evidently intended to be presented and paid immediately, and the drawer may have good reasons for desiring to withdraw his funds from the control of the drawee without delay; but a common promissory note payable on demand is very often originally intended as a continuing security, and afterwards indorsed as such. Indeed it is not uncommon for the payee, and afterwards the indorsee, to receive from the maker interest periodically for many years on such a note. And sometimes the note is expressly made payable with interest, which clearly indicates the intention of the parties to be, that though the holder may demand payment immediately, but he is not bound to do so. It is, therefore, conceived that a common promissory note payable on demand, especially if made payable with interest, is not necessarily to be presented the next day after it has been received, in order to charge the indorser; and that, when the indorser defends himself on the ground of delay in presenting the note, it will be a question for the jury, whether, under all the circumstances, the delay of presentment was or was not unreasonable.

Bank notes and bankers' cash notes differ again from other promissory notes in this, that they are intended to pass from hand to hand, and are issued that they may circulate as money, returning to the bank as seldom as possible; but they are not intended as a continuing security in the hands of any one holder. Therefore, a man who takes bank notes or bankers' cash notes in payment must present them or forward them for presentment the day after he receives them, in order to enable him, in the event of the bank failing, to sue the person from whom they were received on the consideration that was given for them. But, as it would be inconsistent with the very nature and design of such notes, that every man who takes them should present them for payment, it is sufficient to exonerate the taker from the charge of laches, if he circulated them within the time within which he ought otherwise to have presented them.

## THE SUB-TREASURY.

From the New York Courier and Enquirer, October, 1849.

To the Editors of the Courier and Enquirer:

It is understood and believed that Secretary Walker, now here, has agreed to purchase Treasury Notes to the amount of \$800,000 at par, the sellers agreeing to take them back again, whenever called upon. The operation is equivalent to a Loan of the same amount, and will be equally effective in making the Sub-Treasury disgorge.—A direct loan would be contrary to law. Considerable relief to the money market is expected from this transaction.

The community owe to you a debt of thanks for the vigilance with which you have exposed the late extraordinary act of the Secretary of the Treasury in making a loan of \$800,000 to a certain broker in this city, upon Treasury notes. We know that it is denied that it is a *loan*, but that the transaction is a *bona fide purchase* under the law of January, 1847, which says—"The Secretary of the Treasury is further authorised to make purchase of the said notes at par, for the amount of the principal and interest due at the time of purchase on such notes, and so much of the unappropriated money in the Treasury as may be necessary for that purpose, is hereby appropriated for paying the principal and interest."

"Sec. 12. That in lieu of the notes authorised by this act which may be redeemed, others may be issued. Provided, however, the amount of such notes outstanding, together with the stock issued by virtue of the thirteenth and sixteenth sections of this act shall not exceed the sum of twenty-three millions of dollars."

Now here we have the recorded authority under which the Secretary acted, and if he has really and truly made the *purchase*, as is pretended, without any understanding as to their re-issue, then is he sustained by the law in what he has done, and cannot be brought to account; but, how stands the fact? A certain broker in Wall street possesses \$800,000 of Treasury notes, the market price of which at the time the transaction was consummated, was *three and one-quarter per cent. above par*. Is it at all probable, that said broker would sell to the government his Treasury notes at three and one-quarter per cent. *below* the price the community would have paid him for them? Does it not, evidently and on the face of it, imply some understanding between the Secretary and the broker, that he was to be *remunerated* in some way or other for the immense sacrifice of  $3\frac{1}{4}$  per cent. on \$800,000 Treasury notes? We think the common sense view of the matter makes it apparent that it was a *jobbing* affair between the Secretary and the broker, with the ultimate view of promoting the speculative interests of one or perhaps of both! We do not believe that any man in business is willing to sacrifice \$24,000, for the purpose of relieving the money market, and it seems to us too palpable a subterfuge for the Secretary to shield himself behind the law which authorizes him to *purchase* Treasury notes at par, particularly if there existed at the time any, the *slightest understanding* between the high contracting parties, that they were to be returned at



the same price on some future day. Did the law ever intend to convey the authority to the Secretary to *sell* Treasury notes *at par*, when the market price is from *three to five per cent. above* that price! And suppose this to be the market price when these notes are to be "*re-issued*"—that is the word—will the Secretary stand justified in selling government property, to a certain individual, *below* the price at which it would sell if offered in fair open market? We think not, and we do not believe there is a man who will assert to the contrary. Now, can it be asserted that Mr. Morgan does not expect to get his notes *back* at *par*, no matter at how high a price above it they are selling in the market, when the time fixed for their *re-issue* shall arrive? That he certainly does so, we believe and we moreover offer it as our opinion, that if the Secretary purchased \$800,000 Treasury notes at par under the law, *with an understanding that he would sell them back at par*, no matter what might be the market price at the time, he may be impeached, and deservedly so, for a violation of the spirit and letter of a law of Congress.

The defence of the Secretary is based upon the law, allowing him to purchase Treasury notes. The justification of this special act is, that the government thereby *saved six thousand dollars interest!* For the purpose of this saving, the gentleman selling, is willing to lose \$24,000!—very generous truly!

It would be a curious piece of history, if the community could get all the details of this negotiation,—the private bargaining, and the little unwritten understanding between these gentlemen. It would be interesting to learn how much skill was exhibited by this Secretary, in commercial negotiations, for the purpose of saving to the government six thousand dollars interest!—but we are never to get at the facts,—they are to form for ever a part of the *unwritten* financial history of the country.

Whatever may be the result, every man believes and will continue to believe, that the whole affair was a *bargain*, not for the benefit of government, but for the benefit of — no matter who.

The *Union* is kind enough to denounce the community for their ingratitude to Secretary Walker. The course he pursued, and the responsibility he took in the matter, was with the generous view of relieving the money market from the distressing closeness under which it labored—by the process, \$800,000 which were locked up in those dark and gloomy dungeons of the sub-treasury, were released for the benefit of the mercantile community! This is the most candid admission of the evils of the Sub-Treasury we have yet seen!—evils which the Secretary admits, and which he is trying to avert, even by what we believe a violation of law.

The Secretary is clothed with a dangerous power. If by law he may *relieve*, he may also *tighten* the market to suit his own purposes, and, as we suppose his are best subserved by *relieving* the market, at this time, perhaps the community *should* be grateful for this act! That it *has* relieved the money market there is no doubt, and we are rejoiced that the effect has been to the benefit of banks and merchants,—but we enter our protest against the exercise of illegal power *for any purpose whatever*.



The Sub-Treasury law is enacted. Let us go through with it, and see how it works—even to the end. That it has diminished the capital and deadened the enterprises of the country, we believe, and we further believe, that the people will soon find it out to their cost. It is a barbarous law, totally at variance with the character of the people and the spirit of the age—it is anti-commercial, and has retarded the progress of our national wealth and resources to a very great extent.

We are willing that the law should be well tried.—We know that it does not and cannot work well either for the government or the people. The extra *safety* of a few millions of public money, is a small matter when compared with the national loss, amounting to many more millions, by the depreciation of labor and property, which the stringent action of the Sub-Treasury produces.

This question is one which should rise above all party consideration. It affects all classes, and will ultimately be condemned as a system more deranging to internal trade and commerce than any other that has ever been tried. If, as has been said, the system prevents *fluctuation* in the prices of all property, it is only by rendering property *stagnant* and *unsaleable*. The fluctuations are *downward* under its influence. This has been its effects, and such effects must flow from it while it continues in force.

With regard to the safety of the public money which it was said it would secure, we would ask what system was more safe than under the law which required all banks, having the public deposits, to deposit an equal amount of government security with the government as a guarantee?

The evil of the present system has not yet been felt in its full force. In the contingency of large imports (which imply also the payment of heavy duties) and a rise in foreign exchange to the specie shipping point—what is there to prevent a crisis of great severity upon the commercial interests of the country? This is the point at which the evil will be most clearly seen and felt, and it may not be so far off as people imagine. Independent of its barbarous and benighted principles, it is anti-national and at war with the enterprise of the country. It is a law which makes rich men richer and diminishes the value of the savings of the poor. It curtails business and renders the circulation of property and money sluggish and unprofitable. If our nation were not young and vigorous, the Sub-Treasury would spread a chill over the movements of every branch of home industry, which not even its vigor and strength could counteract.

EXAMINER.

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**PUBLIC MEN.**—A strenuous resistance to every appearance of lawless power; a spirit of independence carried to some degree of enthusiasm; an inquisitive character to discover, and a bold one to display, every error of government, *these are the qualities which recommend a man in open and popular elections.*—Burke.

OPINIONS OF LORD BROUGHAM

UPON THE BANK OF ENGLAND, CURRENCY, AND OTHER TOPICS.

*Consequences of Contracting the Currency.*

And now it was, when a general commercial distress began to prevail, that the consequences of our paper circulation, and the banking operations connected with it, not gradually, as had been expected, but almost instantaneously, developed themselves. The Bank of England not very slowly limited its discounts, and diminished its issues of paper about three millions. At one period, indeed, the amount of notes in circulation had exceeded that to which they were now reduced, by six millions: but the average had been for some time about three millions higher. The country banks, acting less upon system, and more under the influence of alarm, lessened their discounts in a much greater degree. A single failure would stop all such transactions over a whole district: and I could mention one large stoppage, which made it difficult for a length of time to discount a bill anywhere in three or four counties.

The persons who felt this change most severely were of course those who had been speculating in any way, but above all others, speculators in land: those who had either purchased or improved beyond their actual means upon the expectation of that credit and accommodation being continued, which had enabled them to commence these operations. Ordinary traders have much greater facilities in the money market; and their speculations are much more speedily terminated. The improver of land has to deal with property not easily convertible into money, and his adventures extend over a long course of years. Persons in this situation soon found their borrowed capital withdrawn. When the fall of produce made it difficult for them to pay the interest, they were suddenly called upon for the principal: they had gotten into a situation which no prudence could have enabled them to avoid, because it was the result of events which no sagacity could have foreseen. They had for many years been tempted to speculate by a facility of obtaining capital or credit, which in a month or two was utterly withdrawn; and before the least warning had been given, either by the course of events, or by the dealers in money and accommodation, a support was removed which the most cautious of men might well have expected to be continued indefinitely, or at any rate, to be gradually removed.

*House of Commons, April 9, 1816.*

*Dangerous Influence of the Bank of England.*

It had been an opinion of a predecessor of the Right Honorable the Master of the Mint—a man somewhat distinguished for his scientific attainments and excellent judgment—I mean Sir Isaac Newton; it has been the opinion of Sir Isaac Newton, that an increase of even three-pence in the price of gold is sufficient to endanger every guinea in the

country. This opinion that great man has published, and has signed his name to it; and, if threepence in the price of gold can have such an influence on the gold coin of the realm, what must the effects of an equal or greater rise in silver be on the silver currency?

Yet, to this danger is the country constantly exposed, while it remains with the Bank of England, by a single stroke of the pen, to derange the market prices of both gold and silver by a sudden and unrestricted issue of their paper currency. I can assure the House that I speak of the Bank with the greatest respect—a respect mixed with dread and alarm. I respect the Bank, but I fear it also. It is in vain to hope for any security for the circulation of the new coinage unless the earliest opportunity is taken of withdrawing that control which at present restricts the Bank from the payment of their notes and tokens in specie. The moment the Bank pays on demand, all danger is at an end.

March 5, 1817.

*Dangerous Monopoly of the Bank of England.*

Much has been said upon the proceedings of the Bank of England during the late panic of the country. Without wishing to throw blame upon the conduct of that body, I cannot help expressing my conviction that an end must come to that system which exerts so powerful an influence at present, not only on the money-market, but on the whole trade of the country. Some change ought to be effected, by which the interests of the whole empire, together with the fortunes of every family in it, should be withdrawn from the absolute control and direction of four and twenty men; be they bankers, or be they merchants, whether they are to be looked up to as a political corporation or a powerful commercial company, it is too much to trust the whole property of the country to the absolute will or caprice of a few men, left in the exercise of a power which is constantly changing all the relations of that property—sometimes increasing their issues and raising its value, then as suddenly contracting them and leaving commercial transactions in a state of corresponding embarrassment—now restricting their discounts, and now enlarging them—now restricting their issues and lowering the rate of interest, and again suddenly enlarging their issues and raising the rate of interest. Just such as we have lately witnessed are the fearful consequences of that system upon all the property of the country—such are the confusion and disorder which must continually prevail in all its concerns, so long as the influence of that system is allowed to prevail.

I mean not to say I distrust the present Bank directors; but I distrust, and ever shall distrust, the wisdom of any set of men placed in their situation, and who, unless they possess the gift of prophecy, cannot be safely intrusted with powers such as those at present vested in the Bank of England, without check or control. Let the monopoly of the Bank of England be restricted, and let other companies have an opportunity of raising themselves up in opposition to them; then, and not till then, will the money-market and the commercial transactions of the country be placed upon a steady and secure footing.

Feb. 2, 1826.

*Imperishable Monuments to a Nation's Fame.*

I cannot sit down without once more adverting to a most interesting topic, to which I drew the notice of the House when I last had the honor of addressing them. Every day has discovered to the committee (of Education) more and more proofs of the munificently charitable disposition of individuals in former times. What I wish you to do is, only to turn with grateful attention to the benevolence of your forefathers, and to endeavor to prevent the memorials of that benevolence from being defaced.

We are occupied in raising monuments to the glory of our naval and military defenders, and fashioning them of materials far more perishable than their renown; all I ask is, that we should protect from the operations of time and from the injuries of interested malversation, those monuments of the genuine glory of our ancestors, those trophies which they won in a pious and innocent warfare, and left to commemorate triumphs unmingled with sorrow, unpolluted by blood, gained over Ignorance, that worst enemy of the human race, and over her progeny, Vice!—Thus we shall perform a greater service to the public; we shall contribute to exalt the name and the fame of this country more than by all the other acts of public munificence in which, as a great and victorious nation, we have been justly indulging. Whatever may be attempted to impede the attainment of this object, I hope that we shall so vigilantly protect the commissioners in the execution of their duty, as to prove to all persons that any efforts to frustrate the views of this House, and to defeat the hopes of the country, are vain; and I trust that all who have hitherto obstructed, or who may yet endeavor to thwart our views, whether from an interested dread lest their own malversations should be detected, or from scarcely less base fellow-feelings for the malversations of others, or from a silly and groundless fear of they know not what dangers—that all who, on whatever grounds, hold out a protecting hand to corruption, from the hereditary enemy of improvement, and the mitred patron of abuse, down to the meanest speculator in the land, may learn that the time is gone by when the poor can be robbed with impunity.

June 3, 1818.

*Pressure of Taxation on the Agriculturists.*

But on no class does the pressure so seriously lie as on the agricultural body. Indeed, there are special causes why the same weight falling on the other branches cannot, in its effects, be so injurious as to them. The agriculturist is very differently circumstanced in the control of his concerns from the manufacturer. He does not, like him, possess the power of accommodating his supply to the demand. There are causes intrinsically affecting his concerns which give him far less power over them. He is exposed to the operations of the seasons, and to all the accidents of the elements. Besides all these, the House will see that the imposition of a tax on a falling market must be injurious to the grower of the commodity, inasmuch as he is unable to shift it on

the consumer. He is at the mercy of those fluctuations, to counteract which, the manufacturer can provide by the limitation of the supply to the demand. It has been said, and said justly, that low prices tend to relieve themselves. In such a state of things the manufacturer looks for his profit in a more extended consumption, and so would the agriculturist also, did not the operations of the Exchequer interpose. He would find his compensation for a fall of price in a more extensive sale, did not the tax-gatherer interfere between the natural relation of cause and effect. By such interference the agriculturist is shut out from that natural remedy which is open to every other branch in any depression of the prices. When the tax is so great as to form a great proportion of the price, the consumer is not affected in the same degree as the grower.

*Motion on National Distress, February 11, 1822.*

#### *Measures not Men.*

I beg here to state that, as a general principle, my intention is to support measures which meet with my approbation, and to oppose those of a contrary tendency; let the one or the other come from whom they may. . . . Let good measures be proposed,—careless shall I be from whom they emanate; even should the proposer be of opposite principles to myself, I will support them. It is necessary, however, that I should qualify the doctrine of its being not men but measures that I am determined to support. Such doctrine in a monarchy is unintelligible and irrational. In a republic like America, where all things are canvassed, sometimes with open and sometimes with closed doors,—and where I have my vote on whatever is proposed,—where a treaty cannot be concluded without my knowledge,—where I cannot be bound by a treaty I never heard of to make war twenty or thirty years hence, or to send troops to Belgium or Portugal half a century afterwards,—such a doctrine may be tolerated and no harm ensue; but in a monarchy it is the duty of Parliament to look at the men as well as the measures; because a set of men might make a treaty which would render war inevitable at some distant day, unless the honor and safety of the country were sacrificed. I say, therefore, as long as a set of men can act secretly, that we are imperatively called upon to look at them and their character, as well as at the measures they may propound.

*Speech in the House of Commons, Nov. 2, 1830.*

#### *Commerce and War.*

We may always conclude that a nation is in a comparatively low state of commercial advancement, which finds it cheaper and easier to fight, than to purchase; and prefers gaining in the field, to gaining in the market. When trade, and the arts of civilized life have been carried to a certain length, war is the greatest calamity that can befall a community. Any state in modern Europe would be so completely ruined by the contests which Athens and Carthage easily supported, that it would be a matter of total indifference whether the war was a series of victories, or of disasters.

*Colonial Policy, (1803) p. 12.*

*Joint-Stock Speculations unprofitable.*

Joint-Stock companies are, of all trading schemes, the most unprofitable; they are quite unfit for the management of any commerce that requires active exertion, minute attention to trifling savings and small profits, and full knowledge of a complicated detail. Accordingly, in all speculations of distant commerce, they have uniformly failed, unless when confined to small numbers, and a narrow capital. The shares of their stock generally sell below par, unless when some other purpose than profit is the object of the purchaser. With all the advantages of a vast capital, they are almost always, sooner or later, defeated, or driven back from the market, by the ingenuity, industry, superior knowledge, and more rigid economy of private traders. A monopoly alone can save them from ruin; and the necessities of modern governments, or their connection with the proprietors, or their false views of the simplest subjects in commercial philosophy, have generally seconded those selfish and hurtful designs.

*Colonial Policy.*

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## THE VALLEY OF THE MISSISSIPPI.

Extracts from the Annual Report, by the New Orleans Price Current, upon the Trade of New Orleans for the year ending September 1, 1848.

It will be remembered by all that we entered upon the season just closed with unusually flattering prospects for ample crops, and remunerating prices, and we felt pleasure in offering our congratulations to that effect in our last Annual Report. These pleasing anticipations, however, were fated to meet with most signal disappointment, so far as regards prices, and instead of the prosperity that appeared in prospective, the past year has proved pre-eminent for commercial disaster throughout the world. The first check to our prosperous progress was manifested in the severe money crisis in Great Britain, the immediate cause of which, it will be recollected, was the heavy drain of specie consequent upon excessive imports of Breadstuffs, which had been stimulated by famine prices. It was early in October that the financial difficulties of England began to assume an alarming aspect, and so formidable and irresistible did they prove that in a few weeks the commercial credit of Great Britain, which had stood on so lofty a pinnacle, was shaken to its foundation.

Scarcely had trade begun to recover somewhat from the blighting effects of most extended commercial disaster, when the world was startled with the intelligence of a Revolution in France, and the establishment of a Republic. Credit and commerce were at once prostrated in that country, and the example of the people of France having rapidly spread to other nations, several of the most potent monarchs of Europe

were compelled to abandon their thrones, or purchase immunity by liberal concessions of power and privilege. Nothing, however, has yet been settled and determined. Wars are raging—counter revolutions have taken place, and France has recently emerged from one of the most terrific and bloody that has ever been recorded in the annals of the world. This unsettled and uncertain state of political affairs in Europe continues to exercise a depressing influence upon trade generally, and its duration is a problem not of easy solution; but it is devoutly to be hoped that this uprising of the people of the old world will eventuate in an amelioration of their political and social condition, and in a more liberal interchange of commerce, literature and the arts. \* \* \*

The rapid extension of Ocean Steam Navigation, both in Europe and in this country, is another prominent feature of interest, as connected with commercial and social intercourse between the new and the old world, and distant parts of the American continent. Already are we in regular weekly communication with Great Britain and the Continent of Europe, and a fleet of steamers is in course of construction, under contract with the United States' Government, which are intended to convey the mails, &c., between New York and Europe, and also between New York and Charleston, Savannah, Havana, New Orleans and Chagres, and along the Pacific coast, to connect with the Atlantic by a land communication across the Isthmus of Panama. These steamers are to be of the first class, and so constructed as to be readily convertible into vessels of war, upon any emergency. Private enterprise is also on the alert, and besides a regular line from New York to Charleston, a pioneer steamer, of elegant proportions and gallant qualities,—to be followed, we trust, by others of equal attractions—has opened a rapid communication between our own city and the great Northern emporium under auspices of the most encouraging character.

#### *Cotton.*

Seldom, if ever within the period of its history as the leading commercial interest of our country, has the Cotton trade been subjected to so trying an ordeal as that through which it has passed during the season just closed.

The year may be said to have opened with rather flattering prospects for good crops—at least in this section of the country—and for remunerating prices. The food crops of Europe—the failure of which the previous year had been productive of such wide-spread distress among the population of the old world, and which, from the great enhancement of the cost of sustenance, had exercised a depressing influence upon the Cotton trade—gave promise of a fair average yield, and thus was presented the prospect of a gradual removal of what was then the most formidable obstacle in the way of a more extended consumption of our great staple. At the same time the stocks of Europe were unusually low, that of Great Britain being only 511,000 bales, against 950,850 bales in 1846 and 1,200,000 in 1845.

The early prices obtained in this market were highly satisfactory, and the trade gave fair promise, until the latter part of October, when the commercial revolution which prostrated credit in Great Britain, and

which subsequently spread to nearly all parts of the Continent of Europe, and to the Indies, put a sudden check to our prosperous course, and produced a more rapid depreciation of prices than we remember ever to have witnessed, in an experience of many years as an observer of the varying phases of this most important and most sensitive of our commercial interests. After recovering materially from the shock produced by the state of things just enumerated a still more severe blow was given by the startling intelligence of a revolution in France, and the overthrow of the monarchy. This movement of the people in favor of popular rights rapidly spread to other countries of Europe, and in the tumultuous state of political affairs commercial credit was completely overthrown, and trade in a measure annihilated. In this general prostration of credit and commerce probably no interest, connecting our own country with Europe, was more severely affected than the Cotton trade, and prices here were at times depressed to within a fraction of the lowest point reached in 1843, while at Liverpool sales were made at lower rates than were ever before known for American Cotton. This depression, too, both in its causes and effects, presents a marked contrast to that of 1843; for in the latter instance it was attributable solely to an excessive accumulation of the raw material, which gave the manufacturers, particularly those of Great Britain, wholly the advantage, and enabled them to prosecute an active trade, at immense profits; while during the past year the stocks in Great Britain, at least for the greater portion of the period, have been unusually low; but so great have been the derangements of trade that the manufacturers could not work with profit, even upon a lower cost of the raw material than was ever before known; and many mills were stopped, while most others were compelled to resort to short-time working. Speculation has been comparatively unknown, as will readily be seen by the fact that during the first six months of the present year the quantity taken by speculators at Liverpool was only 27,800 bales, against 228,400 bales for the same period in 1847. Having thus given a rapid summary of what we conceive to have been the prominent causes of the extraordinary depression of the past season, we proceed to a brief review of the course of our own market.

The first arrival of the new crop was on the 9th August; being two days later than the first receipt of the previous year. The quantity was only two bales, and these, as usual with the first receipts, were sold at fancy prices. The whole quantity of the new crop received up to 1st Sept., was 1089 bales, against 140 bales in 1846, 6846 in 1845, and 5720 in 1844, and the sales up to the same date embraced some 350 bales, at  $11\frac{1}{2}$  a  $12\frac{1}{2}$  cents per lb. the quality ranging from Middling Fair to Good Fair. Prices gave way somewhat, as the receipts increased, and on the 1st October the range was 10 a 11 cents for Middling to Fair, though this yielding of the rates was more attributable to the difficulty of effecting exchange negotiations than to any other cause, as the demand had nearly kept pace with the arrivals. No further material change took place until about the middle of October, when advices of a severe pressure in the English money market gave a downward inclination to prices, which was rapidly accelerated by each succeeding



steamer's accounts, bringing intelligence of immense commercial failures in Great Britain and various parts of the Continent, which continued to spread until the whole fabric of European credit was shaken to its foundation. This state of things, so sudden and unlooked for, of course could not fail to operate most adversely upon the Cotton interest, and the rapid depression in Liverpool, acting on the market here, produced a panic, under the influence of which some sales were made on Wednesday, the 17th November, at  $5\frac{1}{2}$  a  $5\frac{5}{8}$  cents for Middling, being a decline of *fifty per cent.* in a period of little more than two months. This great depression, however, was but momentary, as buyers having means at command at once came forward, and the market immediately recovered fully one cent per pound from the lowest point. From the middle of November to the latter part of March the market maintained a good degree of steadiness, the purchases for France, Spain and other parts of the Continent, and for our Northern ports, in addition to those for England, being sufficient to sustain prices within a range of  $6\frac{1}{2}$  a  $7\frac{7}{8}$  cents for Middling to Good Middling during the period above mentioned. On Thursday, the 23d March, the startling intelligence was received of a revolution in France and the abdication of Louis Philippe. This at once put a stop to business, and buyers for France withdrew altogether, not since to re-enter the market to any important extent. The first intelligence (which was telegraphic) was speedily confirmed, and was immediately followed by accounts of the rapid extension of the revolutionary movement throughout nearly all the countries of Europe, and thus again, and to a wider extent, were European credit and commerce prostrated. These untoward events (in a commercial point of view) at once gave a backward movement to the Cotton market, and a rapid accumulation of obstacles to the progress of business soon depressed prices to a lower point than we have already noted, and to within a fraction of the lowest point of 1843. These obstacles were the entire withdrawal—as already mentioned—of the buyers for France, and also those for most parts of the Continent, and the impossibility, for a time, of negotiating Exchange, even on England, to any important extent. Thus for a period the market was left almost entirely in the hands of Northern buyers, and the absence of competition carried down prices in the early part of May to  $4\frac{3}{4}$  a  $5\frac{1}{4}$  cents for Low Middling to Good Middling Louisianas and Mississippis, which was the lowest point of the season. From this extreme depression there has been a gradual recovery, with slight fluctuations, but the amendment has been the result rather of unusually low freights, and a more favorable state of the Exchanges than of any very flattering accounts from abroad, though latterly the advices in regard to the state and prospects of trade have been somewhat more encouraging. Tennessee and North Alabama Cottons were, as usual, neglected, while the market continued to be abundantly supplied with the low and middling qualities of Louisianas and Mississippis, and most holders, finding it impossible to sell at anything like what might be considered a reasonable price, were compelled to resort to shipments to some extent, in order to relieve themselves of excessive stocks. Not many sales of round lists occurred until about the middle of April, at which time the market opened at  $4\frac{3}{4}$  a 5 cents

for low to good round average lists, but subsequently fell to  $4\frac{1}{2}$  a  $4\frac{3}{4}$  cents, at which range the bulk of the sales were made. The market closes with a stock on sale, including all descriptions, estimated at about 10,000 bales, and a total stock on hand, inclusive of all on ship-board not cleared, of 37,401 bales.

The total receipts at this port since 1st September, 1847, *from all sources*, are 1,213,805 bales. This amount includes 25,072 bales received from Mobile and Florida and from Texas *by sea*. [That portion of the Texas crop which reaches us via Red River, cannot be distinguished from the product of Louisiana.] Deducting from our total receipts the above amount received from Mobile, Florida and Texas, the remainder shows our *receipts proper* to be 1,188,733 bales, or an increase of 481,409 bales as compared with last year. The total exports during the same period are 1,201,897 bales; of which 654,083 bales were shipped to Great Britain, 140,968 to France, 154,807 to the North and South of Europe, Mexico, &c., and 252,039 to United States ports, including 1500 bales to Western States. The increase, as compared with last year, is 268,715 bales to Great Britain, 45,249 to France, 70,887 to the North and South of Europe, &c., and 92,538 to United States ports. The total receipts *at all the Atlantic and Gulf ports*, up to the latest dates received—as shown by our General Cotton Table—are 2,325,180 bales, against 1,767,461 bales of same dates last year; showing an increase of 557,647 bales. This amount, however, it should be understood, does not represent *the total crop of the United States*, as the grand result cannot be attained until full returns up to the 1st September are concentrated at one point. The duty of making up the total crop has for a series of years devolved upon the editors of the *New York Shipping and Commercial List*; and properly so from the nearer proximity of their point of publication to Europe: and should the forthcoming statement be made up on the usual basis, what with the receipts at Mobile, Florida and the Atlantic ports, between the last dates in our table and the 1st September; the stocks on hand at Macon, Augusta and Hamburgh, and the receipts overland at Philadelphia and Baltimore, it is probable that the total crop of 1847-8, as thus computed, will not vary materially from 2,350,000 bales.

Having thus presented the most prominent phases in the progress of our market during the past season, from its opening to its close, we now come to the point which claims of us some remarks in reference to the prospects for the coming year. On this branch of our subject we readily confess to great embarrassment. We have ever been extremely cautious about putting forth prophesies in regard to an interest of such commanding magnitude, and the experience of the past season has not been calculated to increase our confidence in our own prescience. Disappointment and disaster have been produced by causes wholly unlooked for at the opening of the season, and instead of the realization of the encouraging prospects which then appeared in view, events have occurred which have baffled all calculation, and which have marked the past year—particularly in regard to Europe—as among the most prominent on record for prostrated mercantile credit, and financial derangement. These events have already been referred to, and are familiar to all; and

as no permanent result has yet been attained the uncertainty in regard to the future is thus greatly augmented. There are, however, some elements of favorable promise, which we shall briefly refer to, and among the most prominent is the prospect of abundant food crops throughout Great Britain and the various countries of Europe, which will modify one of the leading causes of depression that have been brought to act upon the Cotton interest during the past two years. Then the stocks of the raw material in Europe are still moderate, though somewhat exceeding the amount on hand at this period last year; and as the supply of goods in the hands of the manufacturers is understood also to be moderate, and money abundant in Great Britain, at a low rate of interest, it would seem only to require a settlement of the political and social questions which have for some time past agitated Europe, to restore confidence and give an upward impulse to the Cotton trade. Already is Great Britain recovering in her ratio of consumption, and we find that while in 1847, the weekly average in the United Kingdom, for the entire year, was 22,230 bales, that for the first six months of the current year has risen to 26,242 bales. In this country there has been a material increase of consumption during the past over any previous year. In the Statement of the Cotton crop of the United States, as made up by the Editors of the New York Shipping and Commercial List, the quantity put down as "taken for home use" in 1846-7 was 427,967 bales; but—as they state in a note—this did "not include any Cotton manufactured in the States South and West of Virginia." Should this item be made up on the same basis for the past year it is likely to reach some 500,000 bales; and when to this is added the quantity consumed in the various manufactories South and West of Virginia, the actual amount "taken for home use" during the past year will probably be found to have reached, if not exceeded, 550,000 bales. Besides, preparations are making for adding largely to the manufacturing power of the country, particularly in New England, and it is probable that the coming year, with ordinary prosperity, will show a still further increase in the home consumption.

The question of supply, which it may be expected of us to make some allusion to in this connection, has heretofore been one of absorbing interest; but the extraordinary events of the past year have in a material degree diverted attention from this point, as secondary to the more important one of recovering and extending the markets for the manufactured produce. Nevertheless we may venture a few general remarks touching the prospects of supply in this region, *as they appear at present*, avoiding—as it has ever been our custom to do—anything like a definite estimate in regard to a matter that is involved in so much uncertainty at this early period of the season. We may then state that up to within a few weeks the crops gave highly favorable promise generally. The plant was well advanced and healthy, and little or no complaint was heard from any section. True the rains commenced early in June, but they did not appear to be of that general and severe character to cause injury, but on the contrary, while the plant was in progress, their influence was favorable, particularly in the uplands. When, however, the plant was well matured, and the season for the

commencement of picking arrived—say in the latter part of July—the rains lost their beneficial character; and as they have since continued and become more general, attended in one or two instances by severe storms of wind, they have for some weeks past been productive of positive injury, by retarding the ripening of the bolls, beating the Cotton from those fully opened, and promoting the ravages of the boll worms, which are said to be quite destructive in several districts. Thus far, however, we have no authentic accounts of the appearance of the species of caterpillar, which committed such ravages in 1846; and should the remainder of the picking season prove favorable it would seem that at least a full average crop may be fairly calculated on.

The first bale of the new crop came to hand on the 5th of August, 1848, being four days earlier than the first arrival of the previous year; and the total receipts of the *new crop* up to this date are 2864 bales, against 1089 bales to same date last year, 140 in 1846, 6846 in 1845 and 5720 in 1844. The character of the receipts thus far gives promise of what may be termed a good crop, though as regards quality they are said not to reach as high an average as the early arrivals of last year. There have been sold up to this time only some 600 bales, at an extreme range of  $6\frac{1}{4}$  a 9 cents, and at the moment prices are little more than nominal at a range of about  $6\frac{1}{2}$  a 7 cents for Good Middling to Middling Fair. In most former years the early receipts have excited considerable competition, particularly among buyers for France, Spain and the North, but the present season is entirely deficient in this advantage, and thus a heavy market appears in view, at least for some time to come.

*Comparative Arrivals, Exports and Stocks of Cotton and Tobacco at New Orleans, for ten years—from 1st Sept. each year to date.*

| Years.  | COTTON—BALES. |           |         | TOBACCO—HHDS. |          |         |
|---------|---------------|-----------|---------|---------------|----------|---------|
|         | Arrivals.     | Exports.  | Stocks. | Arrivals.     | Exports. | Stocks. |
| 1847-48 | 1,213,805     | 1,201,897 | 37,401  | 55,882        | 60,364   | 14,954  |
| 1846-47 | 740,669       | 724,503   | 23,493  | 55,588        | 50,376   | 22,336  |
| 1845-46 | 1,053,633     | 1,054,857 | 6,332   | 72,896        | 62,045   | 17,924  |
| 1844-45 | 979,238       | 984,616   | 7,556   | 71,493        | 68,679   | 7,673   |
| 1843-44 | 910,854       | 895,375   | 12,934  | 82,435        | 81,249   | 4,859   |
| 1842-43 | 1,089,642     | 1,088,870 | 4,700   | 92,509        | 89,891   | 4,873   |
| 1841-42 | 740,155       | 749,267   | 4,428   | 67,555        | 68,058   | 2,255   |
| 1840-41 | 822,970       | 821,223   | 14,490  | 53,170        | 54,667   | 2,758   |
| 1839-40 | 954,445       | 949,320   | 17,867  | 43,827        | 40,436   | 4,409   |
| 1838-39 | 578,514       | 579,179   | 10,308  | 28,153        | 30,780   | 1,294   |

*Sugar.*

At the date of our last annual report the Cane crop, then advancing to maturity, presented most flattering promise, and in our closing remarks under this head we took occasion to state that there was good reason to expect that the product of this important staple of our State would exceed that of any previous year since the introduction of its cultivation. This result has been realized, beyond all question, though we are again unable to present the *exact* amount of the crop, and for the same reason stated last year, viz: that the parties who have heretofore ascertained the product of each plantation annually, and published state-

ments embodying their researches, have not resumed their labors. We have again, therefore, to resort to popular estimate, and this places the crop at 240,000 hhds., exclusive of "cistern bottoms," being an excess of 100,000 hhds., over last year, and of 40,000 hhds., over any previous year. This, with 4,000 hhds., estimated to be on hand at the close of last season, would make a supply of 244,000 hhds. The distribution of the crop, as nearly as can be ascertained, has been as follows, all the items being necessarily estimated, except the exports coastwise, which, according to our table, are equal to about 92,000 hhds., including the shipments out of the State, from Attakapas; consumption of the city, and of places in the neighboring States, furnished in small parcels, of which there is no record, and including supplies for the army in Mexico 15,000 hhds.; taken for refining in the city and State, 10,000; stock now on hand in the State 12,000; leaving as the quantity taken for the West 115,000 hhds. This would give the West 45,000 hhds. more of Louisiana sugar than was estimated to be taken last year; but it should be borne in mind that she then took of Cuba sugars equal to about 20,000 hhds.—making her actual supply 90,000 hhds. This year the imports from Cuba have been comparatively light, being barely equal to about 5,000 hhds.; and supposing the West to have taken one-half this quantity, the actual increase over last year would be about 20,000 hhds., which is not an improbable amount, considering the low prices, the increase of population and the extension and improvement of the facilities of transportation. The quantity shipped to the Atlantic ports is equal to about 84,000 hhds., or an increase of 38,500 hhds. over last year.

With respect to the growing crop, it seems to be generally conceded that the prospects for a large yield are by no means as flattering as they were at this period last year. The Stubble, or Ratoon Cane, is represented in many sections to be almost an entire failure, and the Plant Cane generally is said to be less near to maturity by some weeks; thus rendering the liability to damage by frost more imminent. It is true there has been a considerable increase of cultivation, particularly on Red river, some of the upland Parishes and in Attakapas, but it is supposed that other adverse circumstances will more than counter-balance this advantage, and that in no event is the crop likely to reach the amount produced last year. In our neighboring State of Texas the Sugar culture is steadily advancing, and intelligent parties with whom we have conversed estimate the product of this year at 4,000 hhds. The following table will exhibit the annual product of Louisiana for a series of years, by which it will be seen that the Cane culture is liable to remarkable fluctuations in its results, according to the character of the seasons.

| Crop of 1847, | 240,000 hhds. | Crop of 1838, | 70,000 hhds. |
|---------------|---------------|---------------|--------------|
| " 1846,       | 140,000 "     | " 1837,       | 65,000 "     |
| " 1845,       | 136,650 "     | " 1836,       | 70,000 "     |
| " 1844,       | 200,000 "     | " 1835,       | 30,000 "     |
| " 1843,       | 100,000 "     | " 1834,       | 100,000 "    |
| " 1842,       | 140,000 "     | " 1833,       | 75,000 "     |
| " 1841,       | 90,000 "      | " 1832,       | 70,000 "     |
| " 1840,       | 87,000 "      | " 1829,       | 48,000 "     |
| " 1839,       | 115,000 "     | " 1828,       | 88,000 "     |



In regard to a market for the coming crop, we are under the impression that the prospects are in favor of a higher average than was realized last year, even with a very full yield, as the requirements of our own country are constantly increasing, while the product of several of the West India Islands, which has heretofore been brought into competition with our own staple is likely to be reduced to a comparatively unimportant amount by the voluntary abolition of slavery on the part of the home governments, and by servile insurrection. The same causes will reduce the supply for the European markets, and a stable arrangement of European difficulties, which would re-establish confidence and revive commerce, would doubtless tend to rescue this important staple of our State from its present depression, on both sides of the Atlantic.

*Comparative Prices of Sugar on the Levee, on the first of each month, for five years.*

|           | 1847-8  | 1846-7  | 1845-6  | 1844-5  | 1843-4  |
|-----------|---------|---------|---------|---------|---------|
|           | Cents.  | Cents.  | Cents.  | Cents.  | Cents.  |
| Sept. . . | 5 a 7½  | 4½ a 7½ | 6 a 6½  | 5 a 6½  | 5½ a 6½ |
| Oct. . .  | 5 a 7½  | 6½ a 9  | 6 a 7½  | 5 a 6½  | 6 a 7   |
| Nov. . .  | 3 a 5½  | 5½ a 7  | 5 a 7   | 4 a 5½  | 5 a 6½  |
| Dec. . .  | 2½ a 5  | 4½ a 7  | 4 a 6½  | 3 a 5½  | 4½ a 6½ |
| Jan. . .  | 2 a 5   | 5 a 7½  | 4½ a 6½ | 2½ a 5½ | 4½ a 7½ |
| Feb. . .  | 2½ a 5½ | 5 a 7½  | 4 a 6½  | 2½ a 5½ | 5 a 7½  |
| March, .  | 2½ a 5  | 5½ a 7½ | 4 a 6½  | 3 a 5½  | 5 a 7½  |
| April, .  | 2½ a 5  | 5½ a 7½ | 4 a 6½  | 5 a 6½  | 5½ a 7½ |
| May, . .  | 1½ a 4½ | 5 a 7½  | 4½ a 6½ | 5 a 6½  | 5½ a 7½ |
| June, . . | 1½ a 4½ | 5 a 7½  | 4 a 6½  | 4½ a 6½ | 4½ a 6½ |
| July, . . | 2½ a 4½ | 5 a 7½  | 4 a 6½  | 4½ a 6½ | 4½ a 6½ |
| August, . | 2½ a 4½ | 5½ a 8  | 4½ a 7½ | 5½ a 7  | 4½ a 6½ |

*Comparative Prices of Molasses on the Levee, on the first of each month, for five years.*

|           | 1847-8    | 1846-7   | 1845-6   | 1844-5    | 1843-4    |
|-----------|-----------|----------|----------|-----------|-----------|
|           | Cents.    | Cents.   | Cents.   | Cents.    | Cents.    |
| Sept. . . | 28 a 32   | 15 a 22  | 24 a 27  | 26 a 28   | 18 a 21   |
| Oct. . .  | 28 a 32   | 20 a 25  | 21 a 24  | 24 a 26   | 23 a 24   |
| Nov. . .  | 22½ a 23  | 26 a 26½ | 21 a 22  | 20 a 21   | 14 a 20½  |
| Dec. . .  | 19½ a 19½ | 23 a 23½ | 20 a —   | 20½ a 20½ | 20 a 21   |
| Jan. . .  | 17 a 17½  | 24½ a 25 | 21 a 21½ | 16½ a 17½ | 22½ a 23  |
| Feb. . .  | 17 a 19   | 27 a —   | 21 a 21½ | 14½ a 16  | 22 a 23   |
| March, .  | 15 a 21   | 29 a 29½ | 22½ a 23 | 20½ a 21  | 23 a 24   |
| April, .  | 15 a 21   | 25 a 29  | 25 a 25½ | 25 a 26   | 23 a 25   |
| May, . .  | 12 a 16   | 26 a 30  | 23 a 23½ | 24 a 27   | 25 a 26½  |
| June, . . | 15 a 20   | 26 a 30  | 18 a 22  | 18 a 27   | 24 a 25   |
| July, . . | 15 a 20   | 26 a 30  | 15 a 20  | 20 a 27   | 24 a 26   |
| August, . | 15 a 20   | 28 a 31  | 15 a 21  | 26 a 28   | 25½ a 26½ |

*Western Produce.*

Our records show an immense falling off in the operations in the leading articles under this head during the past year, as compared with the season ending the 1st September, 1847. It will of course be remembered by all that a famine in Europe had produced an extraor-

dinary demand for breadstuffs, and the consequent elevation in prices brought forth from our well filled granaries not only the abundant product of the then current year, but also the hoarded surplus of previous seasons. It was thus that our receipts here, as well as at the other shipping ports of the country, suddenly rose to double those of the year immediately preceding and to an amount many fold greater than those of any previous year. The very thorough manner in which the west gave up her supplies in 1846-7, and the comparatively limited foreign demand during the past season, have carried back our receipts of breadstuffs to *less than one half* what they were last year. Thus our arrivals of FLOUR are 706,958 barrels, against 1,617,675 barrels last year; of INDIAN CORN equal to 3,600,000 bushels, against 7,065,000 bushels last year; of WHEAT equal to 300,000 bushels, against 1,670,000 last year; of CORN MEAL, 47,543 barrels, against 88,159 barrels last year. The exports show a corresponding reduction. The total exports of FLOUR amount to 472,519 barrels, against 1,319,506 barrels last year. Of this quantity 15,416 have been sent to Great Britain and Ireland, 88,676 to the West Indies, &c. and the remainder to coastwise ports. Of INDIAN CORN, the total exports are equal to 3,059,000 bushels, against 6,303,000 bushels last year. Of this quantity 1,360,000 bushels have been shipped to Great Britain and Ireland, 173,000 to the West Indies, &c. and the remainder to coastwise ports. Of WHEAT there have been exported to foreign ports barely 35,000 bushels—nearly all of which was to Great Britain—the bulk of the receipts being shipped to the North, and a portion consumed in our city mills. According to a table published in the New York Shipping and Commercial List the comparative exports of breadstuffs from the various ports of the United States to Great Britain and Ireland, from September 1st to August 1st in the two past years, stood as follows :

|                            | 1846-7     | 1847-8    |
|----------------------------|------------|-----------|
| Flour . . . bbls. . . .    | 2,992,349  | 178,782   |
| Corn Meal. . . bbls. . . . | 826,536    | 102,318   |
| Wheat . . . bushels . . .  | 3,464,400  | 219,917   |
| Corn . . . bushels . . .   | 15,800,917 | 4,134,912 |
| Rye . . . bushels . . .    | 84,333     | none.     |
| Oats . . . bushels . . .   | 426,881    | none.     |
| Barley . . . bushels . . . | 308,324    | none.     |

The speculative mania of the previous year having subsided, there has of course been more steadiness in prices, and the following figures exhibit the extreme fluctuations of the season in this market :—Flour—Ohio to the best St Louis City Mills—lowest point August, \$3 87½ a \$4 25; highest point January, \$5 50 a \$6 per bbl. Indian Corn—lowest point May, 23 a 30 cents; highest point December, 58 a 65 cents per bushel, in sacks. Wheat, lowest point August, 62½ a 75; highest point November, \$1 12½ per bushel, in barrels and sacks. It is understood that the crops throughout the country generally are abundant; and as the foreign demand is scarcely likely to exceed that of last year there seems a strong probability that prices for the coming year will rule at a rather low average. The trade in PROVISIONS, particularly Pork and Lard, has been more extensive than last year, there having been a

considerable increase in the supplies as will be seen by reference to our tables. Our space will not permit us to follow these articles in their various fluctuations, and we must therefore content ourselves with noting the extreme rates of the season, which have been as follows : **PORK**, Mess, highest point Sept. 11th, \$14 75 a \$15; lowest point April 26th, \$8 a \$8 12½; **Prime**, highest point September 11th, \$12 50 a \$12 75; lowest point, Dec. 22nd, \$6 50 a \$7 per bbl. **LARD**, highest point Sept. 18th, 11 a 15; lowest point April 26th, 3½ a 5½ cents per lb. The total exports (all packages being reduced to kegs,) are equal to 1,395,496 kegs, against 907,977 kegs last year; and the exports foreign are 546,010 kegs, against 437,746 kegs last year; or an increase of 108,294 kegs. Other articles, of more or less importance, claim some notice under this head, but our limited space admonishes us that we must pass on to a review of other leading commodities.

### Hemp.

In our last annual report we stated that our information respecting the then growing crop, led us to the conclusion that the supply would be much less than during the previous season, as the crop in Kentucky did not promise well, and there was likely to be a material falling off in the arrivals from Missouri, owing to the fact that a considerable portion of the receipts of last year, was made up of parts of several crops, which had been detained from market by low waters, &c., in previous seasons. The result shows a much larger deficiency than we anticipated, the receipts since 1st September last to this date, being only 21,584 bales, against 60,238 bales last year; or a decrease of 38,654 bales. There was quite a large stock remaining over at the opening of the season, which had been detained by the high rates of freight, and thus the exports of the past year considerably exceed the receipts, being 27,240 bales. Of this quantity all has been sent to the Northern ports, except 224 bales to London and 14 bales to Bordeaux. The great deficiency in the receipts has of course had its influence upon prices, and the first sale of good dew-rotted was in the early part of September, at \$120 per ton. This price was claimed for all the lots arriving for a period of several months, but finding no purchasers they were sent forward. Indeed very few sales have been made here this season, owing to higher limits than buyers were willing to pay, and nearly the whole receipts have been forwarded to the North, on account of the Western dealers. The highest point of the market was that above noticed, and the lowest about the middle of May, when a lot of about 300 bales dew-rotted was sold at \$82 50 per ton. The comparative receipts, and average prices, for a series of years, will be shown by the following table.

|                   | BALES. | PER TON. |
|-------------------|--------|----------|
| 1842-43 . . . . . | 14,873 | \$80 00  |
| 1843-44 . . . . . | 38,062 | 66 00    |
| 1844-45 . . . . . | 46,274 | 60 00    |
| 1845-46 . . . . . | 30,980 | 60 00    |
| 1846-47 . . . . . | 60,238 | 90 00    |
| 1847-48 . . . . . | 21,584 | 115 00   |

With regard to the coming season's supply, we observe that the crops



of the West are said not to promise well, particularly in Kentucky, and as the latter State does not produce enough for her Bagging and Rope manufactories, but draws a considerable portion of her supplies for this purpose from Missouri, there does not seem likely to be any considerable increase in the quantity to come forward for the Atlantic markets.

#### *Lead.*

The receipts this year are 606,966 pigs, against 650,129 pigs last year; showing a decrease of 43,163 pigs. The exports are 594,829 pigs, all of which, with the exception of the trifling amount of 1755 pigs, has been sent to the North. The sales here have been comparatively limited, the great bulk of the receipts having been forwarded on Western account. The extreme prices were, in January \$4 25, in June \$3 37½ per 100 pounds.

#### *Exchange.*

This department of our market has again been subject to extraordinary fluctuations during the past season, and from causes wholly different in their character from those which were brought to act upon it in the course of the year previous. Then the extremes for Sterling were 9 per cent. premium to par, the greatest depression being caused by the excessive supply of bills, which were based upon extensive shipments of breadstuffs, in addition to our other leading export staples. During the past season the course of foreign Exchanges has been totally deranged, first by the almost entire prostration of credit throughout Great Britain, and many parts of the Continent, and subsequently by the revolutionary movements in France, and nearly all the other countries of Europe. The effect of this state of things was to produce extraordinary extremes, and thus there were periods when the great majority of drawers of Sterling could not dispose of bills at any rate; others could negotiate to a limited extent at par to 1 a 2 per cent. premium, while at the same time some few parties, whose strength of position placed them above any probable contingency, readily obtained 8 a 10 per cent. premium from those who were compelled to make remittances. In regard to France, and many other parts of the Continent, so complete has been the prostration of commercial credit, that since the first news of the revolution there can hardly be said to have been a market for Exchanges on those countries. Our space will not permit us to follow the fluctuations of the market, as they occurred, and we must content ourselves with noting the extreme rates, which were as follows: Sterling 8 a 10½ per cent. premium, and par a 10 per cent. premium, the former in January and the latter in May, under the circumstances explained above. Francs have fluctuated between 5f. 50 and 5f. 15 per dollar, the lowest in November, and the highest for occasional small sums as remittances, within the past two or three months. Domestic Exchange has been more steady, and generally in fair demand, the extreme rates of the season being as follows: New York sixty day bills ¾ a 3¼ per cent. discount. The former in October and May, the latter in July; Sight Checks 2 per cent. discount in November, 1¼ per cent. premium in April.

**Comparative Rates of Exchange on London, Paris and New York, on the first of each month, for three years past. (60 day bills.)**

|           | 1847-8          |         |                 | 1846-7          |         |                 | 1845-6          |         |                 |
|-----------|-----------------|---------|-----------------|-----------------|---------|-----------------|-----------------|---------|-----------------|
|           | LON.            | PARIS.  | N. Y.           | LON.            | PARIS.  | N. Y.           | LON.            | PARIS.  | N. Y.           |
|           | pm.             | per \$. | dis.            | pm.             | per \$. | dis.            | pm.             | per \$. | dis.            |
| Sept. . . | 5 $\frac{3}{4}$ | 5 35    | 1 $\frac{3}{8}$ | 8               | 5 31    | 1 $\frac{1}{2}$ | 9 $\frac{1}{2}$ | 5 26    | 2 $\frac{1}{4}$ |
| Oct. . .  | 6 $\frac{1}{4}$ | 5 40    | 2 $\frac{3}{4}$ | 8 $\frac{3}{4}$ | 5 32    | 1 $\frac{3}{8}$ | 8 $\frac{1}{2}$ | 5 31    | 2               |
| Nov. . .  | 5               | 5 45    | 3 $\frac{1}{4}$ | 7               | 5 41    | 1 $\frac{1}{2}$ | 8               | 5 32    | 2               |
| Dec. . .  | 5               | 5 45    | 2 $\frac{3}{4}$ | 5 $\frac{1}{2}$ | 5 49    | 1 $\frac{3}{8}$ | 6               | 5 37    | 2 $\frac{3}{8}$ |
| Jan. . .  | 8               | 5 32    | 2 $\frac{1}{2}$ | 4 $\frac{1}{2}$ | 5 50    | 2               | 7               | 5 36    | 2 $\frac{1}{2}$ |
| Feb. . .  | 8 $\frac{1}{2}$ | 5 32    | 2 $\frac{1}{2}$ | 5               | 5 45    | 2 $\frac{1}{8}$ | 6 $\frac{3}{8}$ | 5 37    | 2 $\frac{3}{4}$ |
| March, .  | 7 $\frac{3}{4}$ | 5 35    | 2 $\frac{1}{2}$ | 3               | 5 50    | 2 $\frac{1}{8}$ | 6 $\frac{3}{4}$ | 5 37    | 2 $\frac{3}{8}$ |
| April, .  | 7 $\frac{3}{4}$ | —       | 2               | 2               | 5 55    | 2 $\frac{3}{4}$ | 7 $\frac{1}{2}$ | 5 35    | 2               |
| May, . .  | 4               | —       | 2 $\frac{3}{4}$ | 5               | 5 45    | 1 $\frac{5}{8}$ | 8 $\frac{3}{4}$ | 5 31    | 1 $\frac{5}{8}$ |
| June, . . | 6 $\frac{1}{2}$ | —       | 2 $\frac{3}{4}$ | 4 $\frac{1}{2}$ | 5 40    | 2 $\frac{3}{4}$ | 7 $\frac{1}{2}$ | 5 40    | 2 $\frac{5}{8}$ |
| July, . . | 7 $\frac{1}{2}$ | 5 20    | 1 $\frac{1}{2}$ | 5               | 5 36    | 2               | 6 $\frac{1}{4}$ | 5 42    | 2 $\frac{1}{2}$ |
| August, . | 8 $\frac{1}{2}$ | 5 17    | 1               | 4 $\frac{1}{2}$ | 5 38    | 1 $\frac{1}{2}$ | 7               | 5 41    | 1 $\frac{1}{2}$ |

**Imports of Specie, for four years, from 1st September, to 31st August.**

|                  |             |
|------------------|-------------|
| 1847-8 . . . . . | \$1,845,808 |
| 1846-7 . . . . . | 6,680,050   |
| 1845-6 . . . . . | 1,872,071   |
| 1844-5 . . . . . | 2,249,138   |

**Comparative Prices of Flour, on the first of each month, for five years.**

|           | 1847-8                            | 1846-7                            | 1845-6                            | 1844-5                            | 1843-4                            |
|-----------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|           | Dollars.                          | Dollars.                          | Dollars.                          | Dollars.                          | Dollars.                          |
| Sept. . . | 4 $\frac{1}{2}$ a 6               | 3 $\frac{1}{2}$ a 4               | 3 $\frac{1}{2}$ a 4 $\frac{1}{2}$ | — a 6                             | 4 $\frac{1}{8}$ a 4 $\frac{1}{2}$ |
| Oct. . .  | 4 a 5                             | 4 a 4 $\frac{3}{4}$               | 3 $\frac{1}{2}$ a 4 $\frac{1}{2}$ | 3 $\frac{1}{8}$ a 4 $\frac{3}{8}$ | 4 a 4 $\frac{3}{8}$               |
| Nov. . .  | 5 $\frac{1}{4}$ a 5 $\frac{1}{2}$ | 5 a 5 $\frac{1}{2}$               | 4 $\frac{3}{4}$ a 5 $\frac{1}{2}$ | 4 a 4 $\frac{1}{4}$               | 4 a 4 $\frac{1}{4}$               |
| Dec. . .  | 5 $\frac{1}{2}$ a 6               | 4 $\frac{1}{2}$ a 5 $\frac{3}{4}$ | 7 $\frac{1}{2}$ a 8 $\frac{1}{2}$ | 4 a 4 $\frac{3}{8}$               | 4 $\frac{1}{4}$ a 4 $\frac{1}{2}$ |
| Jan. . .  | 5 $\frac{1}{2}$ a 6               | 4 $\frac{3}{8}$ a 5 $\frac{1}{4}$ | 5 $\frac{1}{2}$ a 7               | 4 $\frac{3}{8}$ a 5 $\frac{1}{4}$ | 4 $\frac{3}{8}$ a 4 $\frac{1}{2}$ |
| Feb. . .  | 4 $\frac{3}{4}$ a 5 $\frac{1}{4}$ | 6 a 6 $\frac{1}{2}$               | 5 a 6 $\frac{1}{4}$               | 3 $\frac{3}{4}$ a 4 $\frac{1}{2}$ | 4 $\frac{1}{8}$ a —               |
| March, .  | 5 a 5 $\frac{3}{4}$               | 5 $\frac{1}{2}$ a 6 $\frac{1}{4}$ | 4 $\frac{5}{8}$ a 5 $\frac{1}{4}$ | 4 a 4 $\frac{3}{8}$               | 4 $\frac{1}{4}$ a 4 $\frac{3}{8}$ |
| April, .  | 5 $\frac{1}{4}$ a 5 $\frac{3}{8}$ | 6 a 6 $\frac{1}{4}$               | 4 $\frac{5}{8}$ a 5               | 3 $\frac{1}{8}$ a 4 $\frac{3}{8}$ | 4 $\frac{1}{4}$ a 4 $\frac{3}{8}$ |
| May, . .  | 4 $\frac{1}{4}$ a 5 $\frac{1}{4}$ | 5 $\frac{3}{4}$ a 6 $\frac{1}{2}$ | 4 a 4 $\frac{3}{4}$               | 3 $\frac{1}{8}$ a 4 $\frac{1}{2}$ | 4 $\frac{1}{8}$ a 4 $\frac{1}{4}$ |
| June, . . | 4 $\frac{1}{4}$ a 4 $\frac{3}{4}$ | 6 $\frac{3}{4}$ a 7 $\frac{1}{2}$ | 3 $\frac{3}{8}$ a 4 $\frac{1}{2}$ | 3 $\frac{3}{8}$ a 4 $\frac{3}{8}$ | 3 $\frac{1}{2}$ a 3 $\frac{3}{4}$ |
| July, . . | 4 $\frac{1}{4}$ a 5               | 6 a 7                             | 3 a 4                             | 3 $\frac{1}{2}$ a 4 $\frac{3}{8}$ | 3 $\frac{1}{2}$ a 4 $\frac{1}{2}$ |
| August, . | 4 a 4 $\frac{3}{8}$               | 4 a 5 $\frac{1}{2}$               | 3 $\frac{1}{4}$ a 4               | 4 a 4 $\frac{3}{8}$               | 4 a 5 $\frac{1}{4}$               |

**Comparative Prices of Mess and Prime Pork, on the first of each month, for two years.**

|                 | 1847-8                              |                                     | 1846-7                              |                                     |
|-----------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                 | MESS.                               | PRIME.                              | MESS.                               | PRIME.                              |
|                 | Dollars.                            | Dollars.                            | Dollars.                            | Dollars.                            |
| September, . .  | 15 a —                              | 12 $\frac{1}{2}$ a 12 $\frac{3}{4}$ | 8 $\frac{1}{2}$ a 8 $\frac{1}{2}$   | 6 $\frac{1}{2}$ a 6 $\frac{3}{4}$   |
| October, . . .  | 13 $\frac{1}{2}$ a 13 $\frac{3}{4}$ | 12 $\frac{1}{4}$ a 12 $\frac{1}{2}$ | 8 $\frac{3}{8}$ a 8 $\frac{3}{4}$   | 7 a 7 $\frac{1}{8}$                 |
| November, . .   | 12 $\frac{1}{8}$ a 12 $\frac{1}{2}$ | 11 $\frac{1}{4}$ a —                | 9 $\frac{3}{8}$ a 9 $\frac{3}{8}$   | 8 a 8 $\frac{1}{4}$                 |
| December, . .   | 10 $\frac{3}{4}$ a 11               | 8 $\frac{3}{8}$ a 9                 | 8 $\frac{3}{8}$ a 9                 | 7 $\frac{1}{2}$ a —                 |
| January, . . .  | 9 a 9 $\frac{1}{2}$                 | 7 a 7 $\frac{1}{4}$                 | 9 $\frac{1}{8}$ a 9 $\frac{1}{2}$   | 8 $\frac{1}{4}$ a 8 $\frac{3}{4}$   |
| February, . .   | 9 $\frac{1}{2}$ a 9 $\frac{3}{4}$   | 7 a 7 $\frac{1}{4}$                 | 14 a 14 $\frac{1}{2}$               | 12 a 13                             |
| March, . . . .  | 9 a 9 $\frac{1}{4}$                 | 7 a 7 $\frac{1}{4}$                 | 15 a 15 $\frac{1}{4}$               | 12 $\frac{1}{2}$ a 12 $\frac{3}{4}$ |
| April, . . . .  | 8 $\frac{3}{4}$ a 9                 | 6 $\frac{3}{4}$ a 7                 | 15 a 15 $\frac{1}{2}$               | 12 $\frac{1}{2}$ a 12 $\frac{3}{4}$ |
| May, . . . . .  | 8 $\frac{1}{2}$ a 8 $\frac{3}{8}$   | 6 $\frac{3}{4}$ a 7                 | 16 a 16 $\frac{1}{2}$               | 12 $\frac{1}{2}$ a 12 $\frac{3}{4}$ |
| June, . . . . . | 9 $\frac{1}{2}$ a —                 | 7 $\frac{3}{8}$ a 7 $\frac{1}{2}$   | 15 $\frac{1}{2}$ a 16 $\frac{3}{4}$ | 12 $\frac{1}{2}$ a 12 $\frac{3}{4}$ |
| July, . . . . . | 10 a —                              | 7 $\frac{3}{8}$ a 7 $\frac{3}{4}$   | 16 $\frac{1}{4}$ a 16 $\frac{1}{2}$ | 13 $\frac{1}{4}$ a 13 $\frac{1}{2}$ |
| August, . . . . | 10 a 10 $\frac{1}{4}$               | 7 $\frac{1}{2}$ a 8                 | 16 a —                              | 13 a —                              |

*Comparative Prices of Corn, in sacks, on the first of each month,  
for five years.*

|                 | 1847-8  | 1846-7  | 1845-6  | 1844-5  | 1843-4  |
|-----------------|---------|---------|---------|---------|---------|
|                 | Cents.  | Cents.  | Cents.  | Cents.  | Cents.  |
| Sept. . . . .   | 50 a 55 | 36 a 40 | 40 a 42 | 43 a 44 | 42 a 43 |
| Oct. . . . .    | 50 a 75 | 60 a 65 | 35 a 38 | 40 a —  | 37 a 40 |
| Nov. . . . .    | 41 a 50 | 58 a 75 | 45 a 50 | 43 a 45 | 34 a 35 |
| Dec. . . . .    | 45 a 50 | 60 a 70 | 80 a 92 | 34 a 37 | 43 a 45 |
| Jan. . . . .    | 54 a 60 | 55 a 67 | 55 a 63 | 37 a 38 | 36 a 38 |
| Feb. . . . .    | 40 a 55 | 80 a 90 | 40 a 50 | 38 a 40 | 32 a 33 |
| March, . . . .  | 36 a 42 | 75 a 90 | 47 a 52 | 40 a 41 | 35 a 35 |
| April, . . . .  | 30 a 38 | 80 a 95 | 42 a 50 | 35 a 36 | 40 a 42 |
| May, . . . . .  | 22 a 28 | 55 a 70 | 40 a 50 | 35 a 38 | 40 a 41 |
| June, . . . . . | 32 a 36 | 65 a 80 | 35 a 40 | 28 a 32 | 33 a 35 |
| July, . . . . . | 33 a 39 | 65 a 75 | 25 a 32 | 30 a 34 | 40 a 43 |
| August, . . . . | 36 a 42 | 40 a 50 | 30 a 35 | 34 a 36 | 40 a 45 |

*Value of Produce of the Interior. A Table showing the receipts of the  
principal articles from the interior, during the year ending 31st August,  
1848, with their estimated average and total value.*

| ARTICLES.                                | AMOUNT.   | AVERAGE. | VALUE.<br>Dollars. |
|------------------------------------------|-----------|----------|--------------------|
| Apples, . . . . . barrels                | 39,518    | \$3 00   | 119,554            |
| Bacon, assorted, . . . hhds. and casks   | 28,909    | 32 00    | 925,088            |
| Bacon, assorted, . . . . . boxes         | 16,210    | 20 00    | 324,200            |
| Bacon, Hams, . . . . . hhds. and tierces | 18,539    | 45 00    | 834,255            |
| Bacon, in bulk, . . . . . pounds         | 391,140   | 4        | 15,245             |
| Bagging, . . . . . pieces                | 77,682    | 13 00    | 1,009,866          |
| Bale Rope, . . . . . coils               | 74,325    | 10 00    | 743,250            |
| Beans, . . . . . barrels                 | 20,485    | 2 50     | 51,212             |
| Butter, . . . . . kegs and firkins       | 45,213    | 5 00     | 226,065            |
| Butter, . . . . . barrels                | 1,156     | 20 00    | 23,120             |
| Beeswax, . . . . . barrels               | 698       | 40 00    | 27,920             |
| Beef, . . . . . barrels                  | 35,598    | 8 00     | 284,784            |
| Beef, . . . . . tierces.                 | 14,662    | 14 00    | 205,268            |
| Beef, dried, . . . . . pounds            | 56,100    | 6        | 3,366              |
| Buffalo Robes, . . . . . packs           | 14        | 65 00    | 910                |
| Cotton, . . . . . bales                  | 1,213,805 | 29 00    | 35,200,345         |
| Corn Meal, . . . . . barrels             | 47,543    | 2 00     | 95,086             |
| Corn, in ear, . . . . . barrels          | 509,583   | 60       | 305,749            |
| Corn, Shelled, . . . . . sacks           | 1,083,465 | 1 10     | 1,192,009          |
| Cheese, . . . . . boxes                  | 52,362    | 3 00     | 157,086            |
| Candles, . . . . . boxes                 | 16,750    | 4 00     | 67,000             |
| Cider, . . . . . barrels                 | 344       | 3 00     | 1,032              |
| Coal, Western, . . . . . barrels         | 320,000   | 60       | 192,000            |
| Dried Apples and Peaches, . . barrels    | 1,595     | 2 50     | 3,962              |
| Feathers, . . . . . bags                 | 2,594     | 25 00    | 64,800             |
| Flaxseed, . . . . . tierces              | 4,393     | 9 00     | 39,537             |
| Flour, . . . . . barrels                 | 706,958   | 5 00     | 3,534,790          |
| Furs, . . . . . hhds., bundles and boxes | 410       | —        | 650,000            |
| Hemp, . . . . . bales                    | 21,584    | 19 00    | 410,096            |
| Hides, . . . . . —                       | 47,662    | 1 25     | 59,575             |
| Hay, . . . . . bales                     | 61,934    | 2 75     | 170,317            |
| Iron, pig, . . . . . tons                | 701       | 30 00    | 21,030             |
| Lard, . . . . . hhds                     | 459       | 60 00    | 27,540             |

| ARTICLES.                                      | AMOUNT.    | AVERAGE. | VALUE.<br>Dollars. |
|------------------------------------------------|------------|----------|--------------------|
| Lard, . . . . . barrels and tierces            | 216,031    | 17 00    | 3,672,527          |
| Lard, . . . . . kegs                           | 303,661    | 3 00     | 910,983            |
| Leather, . . . . . bundles                     | 6,316      | 20 00    | 126,320            |
| Lime, Western, . . . . . barrels               | 14,920     | 1 00     | 14,920             |
| Lead, . . . . . pigs                           | 606,966    | 2 80     | 1,699,504          |
| Lead, bar, . . . . . kegs and boxes            | 787        | 16 00    | 12,292             |
| Molasses, (estimated crop,) . . . . . gallons  | 12,000,000 | 16       | 1,920,000          |
| Oats, . . . . . barrels and sacks              | 467,219    | 75       | 350,415            |
| Onions, . . . . . barrels                      | 7,960      | 2 00     | 15,920             |
| Oil, Linseed, . . . . . barrels                | 2,327      | 20 00    | 46,540             |
| Oil, Castor, . . . . . barrels                 | 1,199      | 25 00    | 29,975             |
| Oil, Lard, . . . . . barrels                   | 5,401      | 20 00    | 108,020            |
| Peach Brandy, . . . . . barrels                | 4          | 15 00    | 60                 |
| Potatoes, . . . . . barrels                    | 151,861    | 2 00     | 303,782            |
| Pork, . . . . . barrels                        | 356,490    | 8 50     | 3,030,080          |
| Pork, . . . . . hhds                           | 14,201     | 35 00    | 497,035            |
| Pork, in bulk, . . . . . pounds                | 13,564,430 | 3        | 406,932            |
| Porter and Ale, . . . . . barrels              | 3,492      | 7 00     | 24,444             |
| Packing Yarn, . . . . . reels                  | 3,333      | 7 00     | 23,331             |
| Skins, Deer, . . . . . packs                   | 1,361      | 20 00    | 27,220             |
| Skins, Bear, . . . . . packs                   | 22         | 15 00    | 330                |
| Shot, . . . . . kegs                           | 5,258      | 18 00    | 94,644             |
| Soap, . . . . . boxes                          | 5,580      | 2 50     | 13,950             |
| Staves, . . . . . M                            | 2,000      | 40 00    | 80,000             |
| Sugar, (estimated crop) . . . . . hhds         | 240,000    | 40 00    | 9,600,000          |
| Spanish Moss, . . . . . bales                  | 3,406      | 4 00     | 13,624             |
| Tallow, . . . . . barrels                      | 4,357      | 18 00    | 78,426             |
| Tobacco, Leaf, . . . . . hhds                  | 47,882     | 55 00    | 2,633,510          |
| Tobacco, Strips, . . . . . hhds                | 8,000      | 90 00    | 720,000            |
| Tobacco, Chewing, . . . . . kegs and boxes     | 6,390      | 12 00    | 76,680             |
| Tobacco, . . . . . bales                       | 118        | 3 00     | 354                |
| Twine, . . . . . bundles and boxes             | 2,132      | 11 00    | 23,450             |
| Vinegar, . . . . . barrels                     | 1,199      | 4 00     | 4,796              |
| Whiskey, . . . . . barrels                     | 135,333    | 7 00     | 947,331            |
| Window Glass, . . . . . boxes                  | 4,260      | 4 00     | 17,040             |
| Wheat, . . . . . barrels and sacks             | 149,181    | 1 80     | 269,659            |
| Other various articles—estimated at, . . . . . |            |          | 5,000,000          |
| TOTAL VALUE—DOLLARS, . . . . .                 |            |          | 79,779,151         |
| TOTAL IN 1846-47, . . . . .                    |            |          | 90,033,256         |
| TOTAL IN 1845-46, . . . . .                    |            |          | 77,193,464         |
| TOTAL IN 1844-45, . . . . .                    |            |          | 57,199,122         |

## BANKING.

The first and essential property which a bank must possess, is a perfect confidence on the part of the public. The small amount of benefit which a banker can afford to give his customer for placing his money in his hands, can never be sufficient to induce any man to run a hazard; and, more particularly, the mere difference of terms which one banker can afford compared with another cannot be sufficient to induce any man to give preference to more tempting terms, when weighed against a greater security and confidence.

## UNITED STATES PUBLIC LOANS.

## THEIR LIABILITY TO TAXATION.

MR. JUSTICE STORY, in his Commentaries on the Constitution, vol. 2, page 492, says :

"In another case the question was raised, whether a State had a Constitutional authority to tax Stock issued for loans to the United States, and it was held by the Supreme Court that a State had not. The reasoning of the Court was as follows:—

*"Is the Stock issued for loans to the Government of the United States, liable to be taxed by States and Corporations?"*

Congress has power to borrow money on the credit of the United States. The stock it issues is the evidence of a debt created by the exercise of this power. The tax in question is a tax upon the contract subsisting between the government and the individual. It bears directly upon that contract while subsisting, and in full force. The power operates upon the contract the instant it is framed, and must imply a right to affect that contract. If the States and Corporations throughout the Union possess the power to tax a contract for the loan of money, what shall arrest this principle in its application to every other contract. What measure can government adopt, which will not be exposed to its influence?

But it is unnecessary to pursue this principle through its diversified application to all the contracts, and to the various operations of government. No one can be selected which is of more vital interest to the community, than this of borrowing money on the credit of the United States. No power has been conferred by the American people on their government, the free and unburdened exercise of which more deeply affects every member of our republic. In war, when the honor, the safety, the independence of the nation are to be defended, when all its resources are to be strained to the utmost, credit must be brought in aid of taxation, and the abundant revenue of peace and prosperity must be anticipated to supply the exigencies, the urgent demands of the moment. The people, for objects the most important which can occur in the progress of nations, have empowered their government to make these anticipations 'to borrow money on the credit of the United States.' Can any thing be more dangerous, or more injurious, than the admission of a principle which authorises every State, and every Corporation in the Union, which possesses the right of taxation, to burthen the exercise of this power at their discretion.

If the right to impose the tax exists, it is a right which, in its nature, acknowledges no limits. It may be carried to any extent within the jurisdiction of the State or Corporation which imposes it, which the will of each State and Corporation may prescribe. A power which is given by the whole American people for their common good; which is to be exercised at the most critical periods for the most important purposes, on the free exercise of which the interests certainly, perhaps the liberty, of the whole may depend; may be burthened, impeded, if not arrested, by any of the organized parts of the confederacy.

In a society formed like ours, with one supreme government for national purposes, and numerous State governments for other purposes : in many respects independent, and in the uncontrolled exercise of many important powers, occasional interferences ought not to surprise us. The power of taxation is one of the most essential to a State, and of the most extensive in its operation. The attempt to maintain a rule which shall limit its exercise, is undoubtedly among the most delicate and difficult duties, which can devolve on those whose province it is to expound the supreme law of the land in its application to the cases of individuals. This duty has more than once devolved on this court. In the performance of it, we have considered it as a necessary consequence, from the supremacy of the government of the whole, that its action in the exercise of its legitimate powers should be free and unembarrassed by any conflicting powers in the possession of its parts, that the powers of a State cannot rightfully be so exercised as to impede and obstruct the free course of those measures which the Government of the United States may rightfully adopt.

This subject, brought before the court in the case of *M'Culloch vs. The State of Maryland*, when it was thoroughly argued and deliberately considered. The question decided in that case, bears a near resemblance to that which is involved in this. It was discussed at the bar in all its relations, and examined by the court with its utmost attention. We will not repeat the reasoning which conducted us to the conclusion thus formed; but that conclusion was, that 'all subjects over which the Sovereign power of a State extends, are objects of taxation; but those over which it does not extend, are upon the soundest principles exempt from taxation. The Sovereignty of a State extends to every thing which exists by its own authority, or is introduced by its permission; but not to those means which are employed by Congress to carry into execution powers conferred on that body by the people of the United States. The attempt to use the power of taxation, on the means employed by the Government of the Union, in pursuance of the Constitution, is itself an abuse; because it is the usurpation of a power which the people of a single State cannot give. The States have no power by taxation or otherwise, to retard, impede, burthen, or in any manner control the operation of the Constitutional laws, enacted by Congress to carry into execution the powers vested in the general government. We retain the opinions which were then expressed. A contract made by the Government in the exercise of its power to borrow money on the credit of the United States, is undoubtedly independent of the will of any State, in which the individual who lends may reside; and is undoubtedly an operation essential to the important objects for which the Government was created. It ought, therefore, on the principles settled in the case of *M'Culloch vs. The State of Maryland*, to be exempt from the State taxation, and consequently from being taxed by Corporations, deriving their power from States.

It is admitted that the power of the Government to borrow money cannot be directly opposed; and that any law, directly obstructing its operations, would be void. But a distinction is taken between direct opposition and those measures which may consequently affect it; that

is, a law prohibiting loans to the United States would be void; but a tax on them to any amount is allowable. It is, we think, impossible not to perceive the intimate connection which exists between these two modes of acting on the subject. It is not the want of original power in an independent sovereign State, to prohibit loans to a foreign government, which restrains the legislature from direct opposition to those made by the United States. The restraint is imposed by our Constitution. The American people have conferred the power of borrowing money on their Government; and by making that Government supreme, have shielded its action, in the exercise of this power, from the action of the local governments. The grant of the power is incompatible with a restraining or controlling power; and the declaration of supremacy is a declaration that no such restraining or controlling power shall be exercised. The right to tax the contract to any extent, when made, must operate upon the power to borrow before it is exercised, and have a sensible influence on the contract. The extent of this influence depends on the will of a distinct government. To any extent, however inconsiderable, it is a burthen on the operations of Government. It may be carried to an extent which will arrest them entirely.

It is admitted by the counsel for the defendants, that the power to tax stock must affect the terms on which loans will be made. But this objection, it is said, has no more weight when urged against the application of an acknowledged power to Government stock, than if urged against its application to lands sold by the United States. The distinction is we think apparent. When lands are sold, no connection remains between the purchaser and the Government. The lands purchased become a part of the mass of property in the country, with no implied exemption from common burthens. All lands are derived from the general or particular Government, and all lands are subject to taxation. Lands sold are in the condition of money borrowed and repaid. Its liability to taxation, in any form it may then assume, is not questioned. The connection between the borrower and the lender is dissolved. It is no burthen on loans; it is no impediment to the power of borrowing, that the money when repaid, loses its exemption from taxation. But a tax upon debts due from the Government stands, we think, on every different principle from a tax on lands which the Government has sold. The Federalist has been quoted in the argument, and an eloquent and well merited eulogy has been bestowed on the great statesman, who is supposed to be the author of the number from which the quotation was made. This high authority was also relied upon in the case of *M'Culloch vs. The State of Maryland*, and was considered by the court. Without repeating what was then said, we refer to it, as exhibiting our view of the sentiments expressed on this subject by the authors of that work.

It has been supposed, that a tax on stock comes within the exemptions stated in the case of *M'Culloch vs. The State of Maryland*. We do not think so. The Bank of the United States is an instrument essential to the fiscal operations of the Government; and the power which might be exercised to its destruction, was denied. But property acquired by the corporation in a State was supposed to be placed in the

same condition with the property acquired by an individual. The tax on Government stock is thought by this court to be a tax on the contract, a tax on the power to borrow money on the credit of the United States, and consequently to be repugnant to the Constitution.

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## WEIGHTS AND MEASURES.

Extracts from the "Report on the Standards of Weight and Measure for the State of Maryland; by John H. Alexander."—1845.

The commercial dependence of the American provinces upon Great Britain, notwithstanding the actual differences in colonial origin of some of them, would naturally tend to a sort of identity with the English standards of Weight and Measure. We have already seen what was the case in Maryland; and in point of fact, at the establishment of the American confederacy, all of the thirteen States had legalized the measures of England. Five of them had named the Winchester measures in their laws; of the rest all but one had, under the epithets *Exchequer* or *London*, accepted either the Winchester bushel or one, derived from a gallon of Henry VII, of 2177.78 inches. The single exception was Connecticut, who had taken a gallon of 224 inches for wine and one of 282 inches for ale; this last was intended to be the eighth part in volume of the bushel.

When the States became independent, a zeal for repudiating all old connections possibly augmented the stimulus which at the time, as I have already said, was pervading many parts of the civilized world, towards the research after uniformity and an absolute indelible measure. At all events as early as August 1785, the board of treasury was directed to "report an ordinance fixing the standards of Weight and Measure throughout the United States." But the still revolutionary character of the period and a coming crisis plainly marked, were unpropitious to any immediate result; and, at the adoption of the present Constitution, the matter stood as it had done for years before.

The second session of the First Congress under the Union was held in New York on 4 Jan. 1790; and five days afterwards, President WASHINGTON in his speech, called the attention of the Legislature particularly to the subject. A suitable reply, promising 'early attention,' was made in the Senate; and in the House of Representatives, an order was passed calling upon the Secretary of State (then Mr. Jefferson) to prepare and report a proper plan or plans for establishing uniformity in the currency, weights, and measures of the United States. Six months later, the report was received by the House where the call had originated; and it was communicated to the Senate on 23 Dec. of the same year, after a fresh special invocation by the President's address upon the subject of which it treated.



This document was quite characteristic of the eminent person by whom it was prepared. An admirer of the French philosophy, he took as the basis of the new system what had been almost simultaneously proposed publicly to the National Assembly of France by Talleyrand; and in the earlier discussions with regard to which, Mr. Jefferson very probably himself assisted during his residence in Paris. This basis was the second-pendulum, in the parallel of  $45^{\circ}$  N. latitude. But the report was made before Borda and his colleagues in France had shewn the inferiority, of what may be called a *dynamical*, to a *statical* standard; and the other pursuits of its author had not allowed him to attain sufficient acquaintance with practical science, to be entirely aware of the mechanical difficulties which the plan he proposed would have to encounter, or the uncertainties it must submit to. I believe that not many, at the time or since, have considered as a misfortune that neither of the propositions it contained was adopted.

The report comprehended two distinct plans: 1<sup>o</sup>. to render uniform and stable the existing system,—by comparing and fixing the unit of length with the pendulum, to which also superficial measures would be referable,—by abolishing the distinction between liquid and dry capacity-measure and fixing the unit of the latter (now to become the unit for both) at some medium term likewise defined by the measure of length, viz: 1.25 cubic feet,—by retaining the more known denominations and proportions of the two systems of weight and referring them (reduced to one series) to a definite volume of some substance, viz: rain water, the specific gravity of which never changes,—and finally, by expressing the quantity of pure silver for the money unit in terms of the weight so defined: or 2<sup>o</sup>. to attain uniformity by new units, a decimal division, and a partially new nomenclature. These plans were called *alternatives*; they might have been termed *opposites*.

It is not necessary, nor even proper, to enter here farther into the details of the two propositions. The whole report may be regarded as an original document, of illustrious emanation and worthy to be consulted by the curious in such subjects. Even its most valuable suggestion, that of the reciprocity between weights and coin, I consider as in some sense original too; for there is no evidence in any of its phrases, that such reciprocity was known at the time to have been anciently inherent in the old Saxon system, upon the debris of which our own was working. In other particulars, too, there appears to have been no superfluous research into that early system; only some of the most palpable, modern, or accidental co-incidences are indicated. The gallon for wine, of whatever calibre, is “altogether disregarded, as concerning principally the mercantile and wealthy;” and the wine-gallon of 231 inches, the habitual one in the country, is stated as resting “on the authority of very long usage, before the 5th of Anne, the origin and foundation of which are unknown.” In January 1791, a supplemental report corrected a slight arithmetical error which had been committed; and added some developments in regard to the superficial measures under the second plan.

In the House of Representatives, I am not aware that any immediate order was taken; in the Senate the report and postscript were referred to

a Committee, who, on 1 March 1791, reported in substance that, regard being had to the steps in progress both in France and England, "it would not be eligible at present to introduce any alteration in the measures and weights which are now used in the United States." This report was adopted.

The Second Congress met at Philadelphia, on 24 Oct. 1791; and on the next day, received an emphatic stimulus upon this subject in the address of General WASHINGTON. Accordingly, in carving out the business of the session, "the fixing the standard" was made the second in order among the topics to be treated by the Senate; and a Committee raised for the purpose. The report of this Committee, made on 5 April 1792, was, as nearly as might be, a transcript of the second plan of Mr. Jefferson. Its consideration was postponed until the next session of Congress.

At that next session, it was taken up; but the question between the new system it recommended and the existing one, was not easily settled and gave occasion to long debates and repeated postponements. Two substitutes having in view the conservation of the old system, (one of them identical with the first plan of Mr. Jefferson,) and a third, combining in an ingenious manner the existing units with a decimal subdivision and thus melting as it were the two propositions into one,—were successively discussed; and, after a month, the whole matter was referred to a new Committee. The report of this last, made on 29 Jan. 1793, has eluded my search; but ten days after, the entire subject was formally postponed until the next session.

Apparently the difficulties experienced in settlement, overcame the attractiveness of the subject; the first session of the Third Congress passed over without reference to it; and the only notice of it during a second session, was the transmission to the Senate, on 8 Jan. 1795, of a communication from the French Envoy, Fauchet, accompanying copies of the provisional standards according to the metrical system, which had been directed to the American Government by the Committee of Public Safety. The Senate ordered the printing of the communication, but took no farther action.

In the House of Representatives, it served as a motive for a Committee to report both upon it and upon the plans which had been submitted by the Secretary of State five years before, and which hitherto seem to have been left in courtesy to the charge of the Senate. On 12 April 1796, this Committee reported. They wisely confined themselves to the enunciation of only the most indisputable principles; and, by the aspect of their conclusions, rather increased the doubts both as to the elements of the question and the attainment of an advantageous result from any change. They preferred the old units but, if possible, the decimal division; and they desired to do away with the objections to positive (or as the report terms them, *assumed*) standards, by a reference to some uniform principle in Nature, "if it can be made to appear that reference may be had to such a measure, with sufficient certainty of uniformity in the result of different experiments, and without much time, trouble, or expense in making them." By way of trial only, they proposed the following experiments to ascertain: 1°. the length of the

second-pendulum in existing feet and inches; 2<sup>o</sup>. the weight of the thousandth part of the cubic foot of water; and 3<sup>o</sup>. the respective weights of four different divisions, which they refer to, of the pound and ounce. Nothing actually followed these propositions; and it is curious that contemporaneously, a private gentleman in England; upon his own means, was undertaking and successfully achieving substantially the same research at which the American Congress, with all the éclat of national effort, aimed and failed.

The subject slumbered now, until the beginning of a new century. On 28 Feb. 1800, the Senate referred to the Secretary of the Treasury (then Mr. Wolcott) "to prepare and report to this House a plan for establishing uniformity in the Weights and Measures of the United States." Such a report was, I believe, never returned: from time to time occasional memorials and motions, as I have before said, were made to and in Congress; but the breaking out of the war of 1812 repressed even these.

Upon the return of peace, President Madison in his last Message of 3 Dec. 1816, reminded Congress that no adequate provision had been made for the uniformity of Weights and Measures; and he coupled it with a recommendation of the decimal subdivisions, which his predecessors had hitherto abstained from doing, and which seems to me to have been precisely the chief obstacle to the admission of any reformation. The decimal computation is no part of the inheritance of the Saxon Family.

Three months later, 3 March 1817, a resolution reported by the Committee to whom this part of the Message had been given in charge, referred to the Secretary of State, (who was, two days afterwards, Mr. J. Q. Adams) to prepare and report to the Senate a statement relative to the existing standards in the States of the Union, as well as what had been done in foreign countries towards the aim of uniformity and what would be proper to be done here. A resolution of the same purport was afterwards, on 14 Dec. 1819, adopted by the other House. Before these orders were complied with, (for the field which they authorized was large, and the points to be connected, distant) a Committee-report upon the subject was offered in the House of Representatives, collateral to what had been the main subject of inquiry, viz: the propriety of altering the laws in regard to domestic or foreign coins. It was on 25 Jan. 1819, that this report was presented. Its conclusions are, in its own words, "that little should be done; that standards conformed to those in most common use among us, should be accurately made and carefully preserved at the seat of Government; that correct models should be placed in different districts of the country; and that the proportions and relations between these, should be ascertained."

This report is a model of calmness and conservatism: too much learning had not confused, nor too wearied reflection led astray. It is easy to see, too, from its tone as well as that of the Senate-resolution just quoted, how the public mind was settling down in aversion to a violent change; what had been found hard of acceptance in 1790, among a people of less than four millions, was now, with a population not far short of ten millions, grown to be nearly impossible.

At length, on 22 Feb. 1821, the report of the Secretary of State was communicated to the Senate. If the report of the former Secretary was characteristic of its author, this was equally so. A combination of acute perception, discriminating judgment, learning varied and rarely at fault, and brilliant diction, renders it attractive beyond its destined sphere. It answered the call and more. In general, its conclusions were what might have been expected. It recommended two distinct things, capable of being carried on simultaneously or separately—one, tending to present improvement,—the other, looking to future perfection. These were, 1°. “to fix the standard with the partial uniformity of which it is susceptible, for the present excluding all innovation; and 2°. to consult with foreign nations for the future and ultimate establishment of universal and permanent uniformity.”

The first recommendation has been subsequently in substance realized: it is to be regretted that the second was, at a propitious moment, lost sight of. The report itself exercised a strong influence, in various ways, in bringing about the realization I have spoken of. Deprecating innovation on the ground of both principle and expediency, it attacks from a third position, technically; and it argues, from the literal phrase of the powers conceded to Congress, very fairly (though I doubt if the distinction was in the mind of the framers of the Constitution at the time) that an authority to “*fix* the standard” does not convey one to *unfix*: Congress could repair, but might not subvert—it might reform, but ought not to revolutionize. I believe, too, that most persons rose from the perusal of the document, better content with what we had, and disposed to find, in the aptitude and fecundity once characteristic of the ancient system and capable of being in a degree restored, a compensation for the dazzling but cheerless sameness imparted by a new Metrology which, like that of France, would plant the extremes of its primordial unit of length on either frozen Pole and test its unit of weight by a mass of hardly melting ice.

Such appears to have been the effect upon the House of Representatives, if we may judge by a brief Committee-report upon this document, on 11 March 1822, from the same pen which furnished the report of 1819 to the same body. The Committee thought “it scarcely necessary to do more than submit the resolutions” which were expedient to be passed at the time. They acquiesced in the view of simply rendering “uniform and stable, the Measures and Weights which we at present possess.” The troy pound, they considered as already virtually disused in the community; and they proposed to have but one unit of weight,—the avoirdupois pound,—of which, the habitual mint-grain should be the one-seven thousandth part. Contrary to the Secretary’s opinion, they desired the standard of length and weight to be made of platina; those of capacity, they supposed, would be best formed of copper or brass. Finally, they proposed a joint resolution by which copies were to be procured on platina, of the Exchequer yard of Q. Elizabeth and of the English avoirdupois pound *in vacuo*; and in any other material, at the discretion of the President, of the standard English wine-gallon and of the Winchester bushel. These when made, “if satisfactory to Congress, should be declared the standard yard, bushel,

liquid-gallon and pound of the United States." The President was besides to have constructed, for distribution among the several States and Territories, models of these standards and of certain subdivisions for each, which are indicated in the resolution: and the system so published was to be left to the good sense and good feeling of the nation for acceptance, uninfluenced by any sovereign requisition or special penalties. But Mr. Adams' proposition for concert with foreign nations, was not mentioned; and as it came to be known shortly after, that Great Britain was about reforming her standards upon principles and elements in some regards the opposite of what would have found favor here,—partly for that reason and partly for some others wholly unconnected with the matter, the resolutions do not appear to have been pressed, and the whole question before Congress was for the present dropped. The steps which had been recently taken were not lost, however; and though they did not reach to the fixing of the standard, they served to fix our ideas about it and became a *point d'appui*, on which subsequent measures rested.

Copies of the Exchequer-standards, of the classes recommended by the Committee, had been procured by the State Department before or about the time of the Secretary's report: there was added to them subsequently, in 1822, a copy of the Elizabethan yard of 1601, not on platina but on brass. This turned out very well accordant, upon a subsequent comparison with other standards; as did also the weights of the former invoice: but the wine-gallon was found to be of 235.4 inches instead of 231, the corn-gallon of 274.325 instead of 268.8, and the so-called Winchester bushel of 2124.1 instead of 2150.42 cubic inches. It is easy to see, however, that these two last were not inaccuracies in the workmanship, but a mistake in the standard selected to be copied. They had taken the corn-gallon of George III and the small bushel of Henry VII, instead of the Winchester bushel and its appropriate gallon. The coal-bushel of Q. Anne, which should have contained 2217.62 inches, gave only 2211.26 inches. The other suggestions of the Committee, to employ such standards in the making of authentic models for distribution, were not acted upon.

In 1828, after the new British standards had been executed, a copy of the Imperial troy pound, made under direction of and standardised by Captain Kater, was procured for the Mint; and was declared by Congress, on 19 May 1828, to be "the Standard of Weight for the United States; the other weights to be according to their legal proportion to the same." This is, I believe, the only case of express legalization of any specific unit, as yet. Upon comparison shortly after, this pound was found to differ very materially (2.5 grains nearly) from an authentic and carefully made set of grain-weights of Troughton. Such a discrepancy created some surprise at the time, but is capable of receiving a very distinct explanation. The United States mint-pound was copied from and is identical with the troy pound of the Parliamentary committee of 1758. That Parliamentary pound, made (as I have said) under the direction of the Assay-master of the English mint, was identical with the mint-pound of the same era. But the former, after its construction, did not see the light again for forty years; while the latter

was in habitual use for the same term, and gradually lost weight. The grains of Mr. Troughton were derived from the latter; evidently, because there was no other accessible authentic source. So, when Sir George Shuckburgh, in 1798, compared the Parliamentary pound with Troughton's grain-weights—he was in fact comparing the mint-pound of 1758 with the mint-pound of 1798, though the experiment was not received in that sense; and he found the last too small. The same result, of course, was shewn with the Troughton weights of Mr. Hassler, which were made not long after, and were intended to be identical with those of Shuckburgh. The comparison of Dr. Moll of Utrecht, made about this time, shews the same thing; the elements being reversed. He weighed two English mint-pounds of 1818, copied from the gradually diminishing standard in use, against grain-weights made by the artist Robinson (who furnished the balances for the new English standards of 1824, and whose grains are therefore parts of the pound of 1758) and also against a copy of the imperial pound by the artist Bate, who had made the original. Finally, the English mint itself recognized the difference; and by a notice in July 1833, indicated the deduction (of 1.5 grains to the pound) to be made upon all monies coined prior to 1 Jan. 1826, when, by the Act of 5 Geo. IV, the old weight was directed to be restored.

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A resolution of the Senate, on 29 March 1830, directed the Secretary of the Treasury to cause a comparison to be made of the Weights and Measures used at the different Custom-houses; in view, I believe, of allowing that Department to correct any variations which such a comparison might detect, and thus to introduce a desirable and long-sought uniformity at least in those transactions to which the Government was a party. Under this resolution, the Department engaged the late Mr. Hassler, a person singularly qualified in intellect and experience for the task, to make the necessary examination. In March 1831, the progress in it was communicated to the Senate by a Report from the Treasury: and the next year, two other Reports from the same Department, dated on 20 and 30 June 1832 respectively, covered an elaborate account, by Mr. Hassler, of the general results of the comparison and of the detailed methods for their ascertainment and verification.

The terms employed as standards in this comparison, were ample and authentic; many of them having been brought to this country on the previous selection of Mr. Hassler himself, either for himself or in behalf of the Survey of the Coast,—to procure the apparatus for which he had, in 1809, revisited Europe. Of the last kind, among the length-measures was a scale of 82 inches divided to tenths, by Mr. Troughton, and in all regards (except length) a fac-simile of Sir George Shuckburgh's scale; of the former—a scale likewise by Troughton, of 52 inches, having the distance 51.2 inches laid off by the same artist from the actual Shuckburgh scale, which thus connected the operation fully with the English determinations concerning the pendulum and yard—an original iron metre from the French Committee of Weights and Measures of 1799, and a toise of Canivet used in the French comparisons of 1791, which thus connected as well with the determinations of the arc

of the meridian as with the older system of France. Of course, I do not mention various others, such as the standards in the State Department, all of more or less interest. For the weights, there was the mint-pound which had been legalized by Act of Congress as the Standard; and a set of grain-weights from  $\frac{1}{100}$  to 10,000 grains, made originally by Mr. Troughton for Mr. Hassler before 1805 and re-verified by the same artist in 1814, which served to unite with the English system; and an original brass kilogramme of the Committee, which lent the assistance and guarantee of all the physical experiments that had been made for the establishments of the Weights of France.

The variations in the measures of length used by the Custom-houses, from the mean of 36 inches on Troughton's 82-inch scale, were found to extend between 35.76 and 36.165 inches; presenting an extreme error of very nearly  $\frac{1}{8}$  of the yard. The weights, which were all avoirdupois, varied from 6830.95 to 7075.52 grains of the mint-pound; thus shewing a discrepancy of 244.57 grains, or of nearly  $\frac{1}{8}$  of the unitary weight. The liquid capacity-measures gave for the wine-gallon (although its nominal value, almost universally, was 231 cubic inches) 219.5 and 226.5 inches as the extremes; the smallest deviating 11.5 cubic inches or very nearly  $\frac{1}{8}$  from the true unitary capacity. The bushel-measures,—the mean of more than fifty of which, gauged by Mr. Adams' direction in 1820, had been shewn to be 2153 inches, or very little more than 2 inches over the Winchester bushel of William III,—ranged between 2056.29 and 2165.2 cubic inches; giving room for an error, likewise nearly  $\frac{1}{8}$  of the true capacity.

Upon these results, which shewed reason enough for the interference of the Government, it was not difficult to adopt the principles that would in future reconcile them. The weight of the Mint was the already-settled standard in that regard; the scale of Troughton, sufficiently authenticated to afford the unit of length; and the desire, which has been shewn to have existed from the beginning, for preserving the mean of the habitual measures of the country, was to be gratified by restoring to the units of liquid and dry capacity the dimensions expressed or implied in many of the Colonial and State Laws. Therefore the Secretary, in his Report of 20 June 1832, expressing the opinion that "the Department has full authority to correct the evil—by causing authentic standards to be supplied to all the Custom-houses," announced in substance the adoption of the Troughton scale aforesaid, as the standard of all linear and cubic dimension; an avoirdupois pound raised from the unitary mint-pound in the proportion of 7000 to 5760, as the standard of commercial weight; and a wine-gallon of 231 and a Winchester bushel of 2150.42 cubic inches, as the standards for liquid and dry capacity, respectively. These last were understood to be determinable from the weight of distilled water they would contain (viz: 8.339 and 77.6274 avoirdupois pounds, respectively) at the temperature of its maximum density, say  $39^{\circ}.8$  of Fahrenheit's thermometer; in this particular differing from the English method, where the temperature is taken at  $62^{\circ}$  of the same scale. In both, the barometer-stand is 30 inches. Mr. Hassler had wished to adopt the point of maximum density as a standard temperature of comparison, throughout; actually, however,

it has been applied no farther than to the capacity-measures. It was understood also, that the material of which the standards should be constructed, a condition evidently not without influence, would be *brass*.

The same Report also announced that the fabrication of the standards was actually in progress at the Arsenal in Washington. Diplomatically speaking such was the fact; practically, the matter had gone no farther than the opening of an extensive correspondence for supplying the requisite materials for the artistical part of the Establishment. Among other things, Mr. Hassler (to whom its superintendence was confided) was very desirous to execute the recommendations of Mr. Adams in extending the comparison to authentic weights and measures of foreign countries;—a step, both of high interest in itself, and absolutely essential (one would think) to a due administration of the commercial regulations of the country. It is to be regretted that his efforts in this regard met with less encouragement and success than they deserved.

The artistical commencement of the work is to be dated in March 1836; after a confirmation and stimulus to the acts of the Department had been given in the passage of a resolution by the House of Representatives; declaring it “highly expedient that the Treasury Department should complete, with as little delay as practicable, the fabrication of standards of Weight and Measure for the supply of the different Custom-houses,” upon the principles already set forth. A joint resolution of 14 June 1836, directed “a complete set of all the Weights and Measures adopted as standards—to be delivered to the Governor of each State in the Union, or such person as he may appoint, for the use of the States respectively; and on 7 July 1838, a section in the Act for the support of the Military Academy authorized the construction of standard-balances for the several States. \* \* \* \*

[The foregoing pages (which could not very well have been fewer) have been extracted with permission from a report by J. H. ALEXANDER, Esq., on the execution of certain standards for the State of Maryland, conformable to those of the U. S. Our readers will no doubt find the interest of the extract proportionate to its length; especially since it is the only account which has been given of the steps leading to the establishment of our present standards, and of the delays and difficulties by which they were accompanied as well as of the peculiar units upon which the establishment rests. In their last view, it serves as an appropriate introduction to the accompanying Table which exhibits the reduction of various Foreign Weights and Measures to our own. Of this Table, too, it may be said that it is the only one of the kind so extensive yet existing. The new Tables of Kelly's Cambist refer to the new English standards which differ, as will be seen on the other side, very materially in the capacity measures from ours; and although Kelly's former Tables referred to the old standards which are nearer our own, yet there is even in them an avowed difference of temperature to be allowed for and since their composition, foreign comparison has been made more precise and reliable. We think therefore, that what we now give will be found useful to something more than mere curiosity.—ED.]



*Table of the principal Unitary Weights and Measures of various Countries,  
reduced to the Standards and Customs of the United States of America.*

| <i>Denomination.</i> | <i>Locality.</i>            | <i>lbs. avd.</i> | <i>Gall.</i> | <i>Bushel.</i> | <i>Feet.</i> | <i>Miles.</i> | <i>Acres.</i> |
|----------------------|-----------------------------|------------------|--------------|----------------|--------------|---------------|---------------|
| Aam . . .            | Dutch . . . . .             | .                | 41,0068      |                |              |               |               |
| Acre . . .           | English . . . . .           | .                | .            | .              | .            | .             | 1. —          |
| Ahm . . .            | Hanoverian . . . . .        | .                | 41,4395      |                |              |               |               |
| Almud . . .          | Turkish . . . . .           | .                | 1,3908       |                |              |               |               |
| Almude . . .         | Portuguese . . . . .        | .                | 4,3698       |                |              |               |               |
| Alquiere . . .       | " . . . . .                 | .                | .            | 0,3784         |              |               |               |
| Are . . .            | French . . . . .            | .                | .            | .              | .            | .             | 0,2471        |
| Arratel . . .        | Portuguese . . . . .        | 1,0119           |              |                |              |               |               |
| Arroba . . .         | Spanish . . . . .           | .                | 4,2641       |                |              |               |               |
| Arsheen . . .        | Russian . . . . .           | .                | .            | .              | 2,3341       |               |               |
| Barile . . .         | Maltese . . . . .           | .                | 10,9993      |                |              |               |               |
| " . . .              | Roman . . . . .             | .                | 15,4126      |                |              |               |               |
| Bushel . . .         | English . . . . .           | .                | .            | 1,0315         |              |               |               |
| Eimer . . .          | Austrian . . . . .          | .                | 14,9525      |                |              |               |               |
| " . . .              | Bavarian . . . . .          | .                | 18,0740      |                |              |               |               |
| " . . .              | Prussian . . . . .          | .                | 18,1463      |                |              |               |               |
| " . . .              | Saxon . . . . .             | .                | 17,8135      |                |              |               |               |
| Fanega . . .         | Spanish . . . . .           | .                | .            | 1,5991         |              |               |               |
| Foot . . .           | Austrian . . . . .          | .                | .            | .              | 1,0371       |               |               |
| " . . .              | Bavarian . . . . .          | .                | .            | .              | 0,9576       |               |               |
| " . . .              | Bohemian . . . . .          | .                | .            | .              | 1,1340       |               |               |
| " . . .              | Chinese . . . . .           | .                | .            | .              | 1,0049       |               |               |
| " . . .              | Danish . . . . .            | .                | .            | .              | 1,0296       |               |               |
| " . . .              | Dutch . . . . .             | .                | .            | .              | 0,9265       |               |               |
| " . . .              | Hanoverian . . . . .        | .                | .            | .              | 0,9580       |               |               |
| " . . .              | Maltese . . . . .           | .                | .            | .              | 0,9305       |               |               |
| " . . .              | Milanese . . . . .          | .                | .            | .              | 1,4278       |               |               |
| " . . .              | Prussian, (Rhen.) . . . . . | .                | .            | .              | 1,0297       |               |               |
| " . . .              | Portuguese . . . . .        | .                | .            | .              | 1,1109       |               |               |
| " . . .              | Roman . . . . .             | .                | .            | .              | 0,9774       |               |               |
| " . . .              | Sardinian . . . . .         | .                | .            | .              | 1,1237       |               |               |
| " . . .              | Saxon . . . . .             | .                | .            | .              | 0,9293       |               |               |
| " . . .              | Sicilian . . . . .          | .                | .            | .              | 1,1593       |               |               |
| " . . .              | Spanish . . . . .           | .                | .            | .              | 0,9274       |               |               |
| " . . .              | Swedish . . . . .           | .                | .            | .              | 0,9741       |               |               |
| " . . .              | Venetian . . . . .          | .                | .            | .              | 1,1398       |               |               |
| Gallon . . .         | English . . . . .           | .                | 1,2006       |                |              |               |               |
| Giornate . . .       | Sardinian . . . . .         | .                | .            | .              | .            | .             | 0,9393        |
| Halebi . . .         | Turkish . . . . .           | .                | .            | .              | 2,1952       |               |               |
| Killot . . .         | " . . . . .                 | .                | .            | 0,9407         |              |               |               |
| Kilogramme           | French . . . . .            | 2,2047           |              |                |              |               |               |
| Kilometre . . .      | " . . . . .                 | .                | .            | .              | .            | 0,6214        |               |
| League . . .         | Portuguese . . . . .        | .                | .            | .              | .            | 3,8400        |               |
| " . . .              | Spanish . . . . .           | .                | .            | .              | .            | 4,3909        |               |
| Litre . . .          | French . . . . .            | .                | 0,2642       | 0,0284         |              |               |               |
| Malter . . .         | Bavarian . . . . .          | .                | .            | 9,0282         |              |               |               |
| Metre . . .          | French . . . . .            | .                | .            | .              | 3,2809       |               |               |

# *Weights and Measures.*

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| <i>Denomination.</i> | <i>Locality.</i>    | <i>lbs. avd.</i> | <i>Gall.</i> | <i>Bushel.</i> | <i>Feet.</i> | <i>Miles.</i> | <i>Acres.</i> |
|----------------------|---------------------|------------------|--------------|----------------|--------------|---------------|---------------|
| Mile . . .           | Austrian . . . .    | .                | .            | .              | .            | 4,7141        |               |
| "                    | Brunswicker . . .   | .                | .            | .              | .            | 6,7520        |               |
| "                    | Dutch . . . . .     | .                | .            | .              | .            | 3,6394        |               |
| "                    | English . . . . .   | .                | .            | .              | .            | 1. —          |               |
| "                    | Norwegian . . . .   | .                | .            | .              | .            | 6,9216        |               |
| "                    | Prussian . . . . .  | .                | .            | .              | .            | 4,6803        |               |
| "                    | Roman . . . . .     | .                | .            | .              | .            | 0,9252        |               |
| "                    | Russian, (Lith'n)   | .                | .            | .              | .            | 5,5640        |               |
| "                    | Saxon . . . . .     | .                | .            | .              | .            | 5,6324        |               |
| "                    | Sicilian . . . . .  | .                | .            | .              | .            | 1,1593        |               |
| "                    | Turkish . . . . .   | .                | .            | .              | .            | 1,0375        |               |
| Morgen . . .         | Bavarian . . . . .  | .                | .            | .              | .            | .             | 1,1676        |
| "                    | Hanoverian . . . .  | .                | .            | .              | .            | .             | 0,6472        |
| "                    | Prussian . . . . .  | .                | .            | .              | .            | .             | 0,6309        |
| Pflug . . . .        | Danish . . . . .    | .                | .            | .              | .            | .             | 4,3923        |
| Pood . . . .         | Russian . . . . .   | 36,0676          |              |                |              |               |               |
| Pound . . . .        | Austrian . . . . .  | 1,2347           |              |                |              |               |               |
| "                    | Bavarian . . . . .  | 1,2372           |              |                |              |               |               |
| "                    | Bohemian . . . . .  | 1,1340           |              |                |              |               |               |
| "                    | Bremenese . . . . . | 1,0991           |              |                |              |               |               |
| "                    | Chinese . . . . .   | 1,3237           |              |                |              |               |               |
| "                    | Danish . . . . .    | 1,1009           |              |                |              |               |               |
| "                    | Dutch . . . . .     | 1,0390           |              |                |              |               |               |
| "                    | English . . . . .   | 1. —             |              |                |              |               |               |
| "                    | Hanoverian . . . .  | 1,0794           |              |                |              |               |               |
| "                    | Maltese . . . . .   | 0,6981           |              |                |              |               |               |
| "                    | Milanese . . . . .  | 1,6821           |              |                |              |               |               |
| "                    | Prussian . . . . .  | 1,0312           |              |                |              |               |               |
| "                    | Roman . . . . .     | 0,7476           |              |                |              |               |               |
| "                    | Russian . . . . .   | 0,9017           |              |                |              |               |               |
| "                    | Sardinian . . . . . | 0,8133           |              |                |              |               |               |
| "                    | Saxon . . . . .     | 1,0295           |              |                |              |               |               |
| "                    | Sicilian . . . . .  | 0,7072           |              |                |              |               |               |
| "                    | Spanish . . . . .   | 1,0161           |              |                |              |               |               |
| "                    | Swedish . . . . .   | 0,9373           |              |                |              |               |               |
| "                    | Venetian . . . . .  | 1,0528           |              |                |              |               |               |
| Ratel . . . .        | Turkish . . . . .   | 1,4856           |              |                |              |               |               |
| Sacko . . . .        | Sardinian . . . . . | .                | .            | 3,2635         |              |               |               |
| Schaf . . . .        | Bavarian . . . . .  | .                | .            | 5,8327         |              |               |               |
| Scheffel . . .       | Prussian . . . . .  | .                | .            | 1,5597         |              |               |               |
| "                    | Saxon . . . . .     | .                | .            | 2,9435         |              |               |               |
| Scheppel . . .       | Dutch . . . . .     | .                | .            | 0,7893         |              |               |               |
| Stajo . . . .        | Venetian . . . . .  | .                | .            | 0,2270         |              |               |               |
| Strick . . . .       | Bohemian . . . . .  | .                | .            | 3,0300         |              |               |               |
| Stubchen . . .       | Brunswicker . . . . | .                | 0,9380       |                |              |               |               |
| Toonda . . . .       | Danish . . . . .    | .                | .            | 3,9446         |              |               |               |
| Tunna . . . .        | Swedish . . . . .   | .                | .            | 4,1571         |              |               |               |
| "                    | "                   | .                | 33,1596      |                |              |               |               |
| Vedro . . . .        | Russian . . . . .   | .                | 3,2465       |                |              |               |               |
| Verst . . . .        | "                   | .                | .            | .              | 0,6631       |               |               |
| Viertel . . . .      | Danish . . . . .    | .                | 2,0400       |                |              |               |               |
| Yard . . . .         | English . . . . .   | .                | .            | .              | 3. —         |               |               |
| Yugada . . . .       | Spanish . . . . .   | .                | .            | .              | .            | 35,0724       |               |

## PROGRESS OF NATIONAL INDUSTRY.

From Chambers' Edinburgh Journal, for 1847.

MR. PORTER'S 'Progress of the Nation,' noticed in a recent number, has already been followed by a new edition of Mr. M'Culloch's 'Descriptive and Statistical Account of the British Empire,' from which we shall now proceed to collect such information as may throw additional light upon the general subject.

The section relating to the industry of the United Kingdom commences with agriculture, as 'the first and most important of the useful arts.' The total number of landed proprietors in England alone is estimated at 200,000, and the average annual income of each at £200. But although this is the average, the value of their properties ranges from forty shillings to £100,000 a year and upwards. Taking them generally, the landlords are hard-working men, of very moderate income; although it is the custom to regard as their type the few owners of large estates, whose wealth and importance attract the greatest share of public attention. The small farm system is stated to be injurious to the progress of agriculture, and to the habits of industry of the farmers; while moderately large farms produce more (in consequence of increased outlay) in a given space, and act more favourably upon the character of the population. The local population, it is true, is less; but owing to the exchange of the produce for the various objects of art or industry, the mouths fed are more numerous. In England the estates generally are of a moderate size, while in Ireland they are larger. But in the latter country these large estates are split into such minute holdings, that four-fifths of the people are supposed to subsist on the produce of the land they occupy. The consequence of this is almost universal poverty and misery. The small farmers have not sufficient occupation for their time, and grow up in incorrigible indolence; and being prevented, by want of means from adopting improvements, agriculture languishes, and the most fertile soil in the world produces only *one-fifth* part of what it might do under a better system.

Various causes are assigned for this state of things in Ireland; but one of these has existence likewise in England, although modified there by other circumstances. This is the law as regards leases, which in these two countries are regarded as movable property; whereas in Scotland they are an inalienable estate, descending (except in cases of special provision to the contrary) to the heir at law. The result of this is, that in Scotland the younger sons look to other professions than agriculture for support, or move to other localities or countries in search of employment, leaving the inheritor of the land to devote his unclogged energies to the increase of his farm, and the advancement of its agriculture. This, however, is only part of the truth. The substantial reason for the superiority of Scotch husbandry is, that in Scotland every farmer has a lease of some kind, generally for nineteen years, while the bulk of the English farmers have no lease at all. Tenants-at-will from year to year, they have no encouragement to improve the land, and are for the

most part practically serfs of the landed gentry, who look more to political considerations than rent. The backwardness of English agriculture from this and other causes is a curious feature of a country renowned for its manufacturing and commercial energy.

A full half or more of the arable land of England is applied to grazing husbandry, while in Scotland and Ireland the great proportion is under crop. The number of horses in Great Britain is about a million and a half, estimated to be worth from eighteen to twenty-two and a half millions sterling. The total head of cattle is estimated at 5,620,000, of which a fourth part, or 1,405,000 are annually slaughtered for the supply of the kingdom. The weight of the cattle and sheep killed in London has more than *doubled* since 1710; the animals weighing at present, on an average, 800 lbs. bullocks, 140 lbs. calves, 80 lbs. sheep, and 50 lbs. lambs. In Ireland, in 1841, the number of horned cattle was 1,863,116, most of which are sent to England.

The milk sold in London alone amounts in value to £800,000 a year, and butter to £1,120,000, the latter being the produce of 150,000 cows.

The number of sheep in England and Wales is 26,148,463; in Scotland, 3,500,000; and in Ireland, 2,106,189—producing in all 540,000 packs of wool.

The present value of timber in England is estimated at from forty to fifty millions sterling, and its yearly product at from one and a half to two millions. The royal forests, enclosed and bearing oak for the supply of the navy, cover from 50,000 to 60,000 acres. In Scotland the total extent of woodland considerably exceeds a million acres; and in Ireland it is only a third of that area.

The total annual value of the agricultural produce of England and Wales is £141,606,857; of Scotland, £27,744,286; and of Ireland, £48,200,834. The profits of farmers are stated at one-half the rent in England, and one-third in Scotland, which would give 9½ per cent. on the capital employed. This includes, however, all they receive themselves as wages, and proves the business to be anything but a lucrative one. Yet low rents are supposed to be as injurious to all parties as high rents; in proof of which, the following anecdote is told relative to South Wales:—‘A gentleman noted for his liberality to his tenants, during the last seventeen years of his life laid out upwards of £20,000 in improving the farms of his tenants-at-will, without charging them a penny in advance of rent. He died; and his successor, of a different cast, leaving off improvements, tried what doubling the rents would do; and it is painful to relate, for it borders on a libel on human nature, that this advance of rent, considered exceedingly grievous at the time it was imposed, had a greater effect in improving the agriculture of the estate than all the benevolence and forbearance of his predecessor. The tenants were now compelled to do for themselves what another did for them before.’ A rise of rent is, generally speaking, a sign of improvement; and to such an unexampled extent did this take place in Scotland, that the entire rental of the kingdom rose from one million in 1770, to four millions and a half in 1815.

The improvement of agriculture was slow, and frequently interrupted; but the general result is so satisfactory, that it is affirmed that Great

Britain provides food at present sufficient for the comfortable sustenance of five millions of inhabitants more than in 1820. Nor are the capacities of improvement exhausted. On the contrary, there is almost a boundless vista of prosperity before us. 'It is impossible, indeed, to say to what extent, under such circumstances, improvement may be carried.'

Such are the treasures that grow, or move, upon the surface of the country: beneath, in its depths, though we find little either of gold or silver, there is an almost inexhaustible abundance of substances that are of much more importance to mankind. The first of our minerals may be said to be coal, since upon it depends mainly the production of the rest. In some parts of the country, for instance, there is iron, but for want of coal it is not worked; and such districts are set down as destitute of mineral wealth. Coal is the grand *primum mobile* in this manufacturing country. To it Glasgow, Manchester, Birmingham, Leeds, Sheffield, owe their greatness; and to the want of it many of the great cities and towns of history their decay. Nor is its operation limited to physical objects; it acts upon the very stuff of which men's minds are composed, and creates habits of industry, and develops intelligence, wherever it appears.

Coal, like other great benefactors of mankind, was persecuted in the ages of ignorance, and in London repeatedly prohibited altogether, on account of the supposed injurious tendency of its smoke. Since the time of Charles I., however, its advance into general use has been steady and rapid; and at present the domestic consumption of Great Britain may be safely stated at 20,000,000 tons; that of manufactories at 13,200,000 tons; and that of railways, steamers, &c. at 1,200,000 tons. To these items must be added 4,000,000 exported to Ireland and the colonies, which will give a grand total of 38,400,000 tons. If this is reckoned at an average of ten shillings per ton to the consumer, the whole will be worth £19,200,000 a year.

Coal-mining, however, is not a very profitable business to those concerned in it. Large fortunes, it is true, have been made from time to time by individuals; but taking the trade on the average, the profits do not exceed ten per cent. on the capital employed, and this at simple interest. It is a business, however, which will always go on; and the supply of the material is considered, by the best observers, to be equal to the present demand for many centuries to come.

Iron, like coal, was at one time persecuted on account of its consumption of wood in the smelting process; but when Lord Dudley obtained a patent in 1619 for smelting with coal—one of the most valuable of all inventions—his works were destroyed by the ignorant rabble, and himself well-nigh ruined. In 1740, when the new process fairly began, the quantity made was 17,000 tons, which in 1840 had increased to 1,396,400 tons. Last year it amounted to 1,750,000 tons. This can only be matched by the progress of the cotton manufacture. It is not supposed that the prosperity of the trade is temporary, but, on the contrary, that it will continue increasing for an indefinite time. Supposing, however, that it remains as it is at present, this will give, as the yearly value of the production, fourteen millions sterling.

About 5000 tons of tin are obtained in the year, at a value of from £65 to £80 a ton. We had formerly a monopoly of this article, and the price was nearly twice higher; but since 1814, the little island of Banca, in the Indian Archipelago, has come into successful competition with us, driving us out of the Chinese market, and even rivalling us at home.

Copper, although fairly commencing only with the last century, is now of more importance than tin; its production increasing from 700 tons to upwards of 14,000 tons, and estimated to be worth £1,406,000 a year. As a business, both tin and copper mining partakes of the nature of a lottery; the veins that promise most, sometimes disappearing at once, and *vice versa*, making the needy adventurer a capitalist, and the capitalist a beggar, as it may happen.

The lead produced in Great Britain and Ireland amounts to upwards of 51,000 tons, each ton yielding about eight ounces of silver.

Salt is produced to an unlimited extent from brine springs and fossil beds. The home consumption of this article, exclusive of Ireland, is estimated at 200,000 tons, and our exportation amounts to 337,000 tons. The average cost is only fifteen shillings a ton. The other minerals are manganese, antimony, stone, slate, fullers' earth, and lime. The consumption of the last is immense, but affords no data for calculation. To these may be added, though perhaps more properly a manufacture, bricks, of which nearly a *billion* and a half were made in 1844.

In this survey, the treasures of the sea are worthy of some observation, because the consumption of fish is not now, as formerly, confined to the coasts, but extended by railways throughout the entire kingdom. In Birmingham, for instance—that great terminus—the consumption in 1839 was only 400 tons, and it is now 4000 tons. Of such importance is despatch in the conveyance of this perishable commodity, that a mackerel vessel arriving at Billingsgate at five o'clock in the morning, would obtain fifty shillings per hundred for its fish; whereas, if it did not reach the market till the afternoon, the utmost price it could realise would be twenty-eight shillings. Formerly, vans with four horses were employed to hasten up the cargo, which is now transported in a small fraction of the time by means of steam, whether on the road or the river. The entire value of the fisheries, including both foreign and domestic, is stated at from four millions to four millions and a half a year. The whale fishery has decreased rapidly, and in the northern seas more especially, the trade is now almost wholly confined to seals.

Such is a general glance at the treasures of the soil, the mine, the sea, with which nature has endowed the inhabitants of Great Britain. Let us now turn to the products of their industry in the manufacture of raw materials into those objects of comfort and utility which form the distinctive character of civilization.

Our earliest national manufacture is that of wool; and many plans were fallen upon for its encouragement, including the law of Charles II.'s parliament (which was not expunged for a hundred and thirty years,) that all dead bodies should be buried in woollen shrouds! The discouragement of machinery had the same tendency as injudicious fostering; and but for the example of cotton, after the inventions of Har-

greaves and Arkwright, 'the woollen manufacture,' as a writer in Rees's *Encyclopædia* observes, 'would probably have remained at this day what it was in the earliest ages of civilized society.' At the end of the seventeenth century, the value of the manufacture was estimated at eight millions sterling; it is now twenty-four millions.

In 1766, the value of the different species of cotton goods produced in England—or rather of a mixture of cotton and linen, for there was then no other—was estimated at £600,000 a year; but in the following year the spinning-jenny was introduced, which at first enabled eight threads of the weft to be spun as easily as one; and eventually was improved to such an extent, that a single young girl was able to work a hundred and twenty spindles. Then came the spinning-frame for the warp, which carried the process to a pitch which might truly be termed miraculous, if we did not remember that, subsequently, the mule-jenny—a compound of these two—spun a thread two hundred and forty miles in length from a single pound of cotton! Hitherto, however, the manufactories were obliged to be pitched wherever a waterfall supplied a motive power; but, as if no obstruction was destined to remain, no element of prosperity to be wanting, the improvements of Watt in the steam-engine set them down in the midst of dense and industrious towns. The invention of the throstle then gave the mule the power of spinning spontaneously with no human intervention but that of children to join the threads; and then the power-loom brought the whole to a climax by weaving, by means of machinery, the yarn in like manner spun. The total value of the cotton goods, of all kinds, is estimated at thirty-six millions a year; including ten millions as the price of the material, and twenty-six millions for wages and profits. On the most moderate computation, this business must furnish subsistence to considerably more than a million persons. 'And for this new and most prolific source of wealth,' says Mr. M'Culloch, 'we are indebted partly and principally to the extraordinary genius and talent of a few individuals; but in a great degree, also, to that security of property and freedom of industry which give confidence and energy to all who embark in industrious undertakings, and to that universal diffusion of intelligence which enables them who carry on any work to press every power of nature into the service, and to avail themselves of productive capacities of which a less-instructed people would be wholly ignorant.'

At the Union, the linen manufactured in Scotland was a million and a half of yards; at present, the value of what is made at Dundee is a million and a half sterling. The total value for Great Britain and Ireland is estimated at ten millions.

The manufacture of silk was introduced into England so early as the fourteenth century, and in the sixteenth it had become a considerable and established trade. Towards the close of the seventeenth, however, the importation of foreign silks was prohibited; and the consequence of the monopoly thus granted to the home manufacturer was a total cessation of improvement, and much injury to the business from the competition of smuggled goods. In 1825 this suicidal policy of the government was changed, and the market thrown open, with merely nominal disadvantages, to the foreign manufacturer. The result of this step—

from which nothing less than utter ruin was anticipated—has been a vast increase in the silk manufacture, which supports upwards of thirty thousand laborers, and is worth to the country upwards of ten millions sterling a-year.

Birmingham was called by Mr. Burke the 'toy-shop of Europe;' but among the toys are vast numbers of guns and swords, and now steam-engines, more important than all the other *fire* arms in the world. So extensive is the button trade alone, that in 1834 a single manufacturer had in his workshop 10,000 double sets of cut steel dies for livery buttons only. In 1824, a manufacturer of another kind received a single order for £500 worth of dolls' eyes. At present, about 160 tons of fine sheet steel are annually manufactured into 300,000,000 pens. The whole annual value of all sorts of wrought brass and iron, and of hardware and cutlery articles produced in Great Britain, is estimated at seventeen millions sterling.

The manufacture of leather is very nearly equal in value to that of iron, being estimated at sixteen millions.

The earthenware manufacture owed to Mr. Wedgwood its increase from a paltry business, in 1762, to one yielding at present from two to three millions a-year. The duties on glass were repealed in 1845, and the advantages anticipated are now in a fair way of being realised.

Mr. M'Culloch's section relating to paper, books, &c. is unaccountably deficient in the most ordinary information. He does not seem to be aware that there is such a thing as a cheap press in the country. He computes the value of monthly and quarterly periodicals circulating from fifteen hundred to two thousand copies, but entirely omits those that scatter abroad among the people their *weekly* sheets, to the number of eighty or a hundred thousand copies! On this point, we speak neither for ourselves, nor for many other and more successful laborers in the field of popular instruction, but for the sake of truth, on a not uninteresting subject of social concern. We are unwilling, however, to do anything more than point out a defect which the author has it in his power to remedy in a subsequent edition.

Breweries, distilleries, manufactories of hats, soap, candles, &c. make up the account of the wonderful industry of this wonderful country.

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**UNWHOLESOME HOUSES.**—It is proved that, besides the waste of money, health, and life, incurred by the system now usually pursued in erecting the lower classes of dwellings in great towns, where comfort, cleanliness, and decency are either not thought of at all, or are sacrificed to a short-sighted greediness of gain, there is also an incalculable amount of demoralization attributable to the same causes; and that, to say the least, an effectual bar is thereby put to the intellectual, moral, and religious improvement of this large portion of the community.—*Letters of the Rev. C. Girdlestone.*



## THE BANK OF SCOTLAND.

From Chambers' Edinburgh Journal, August, 1848.

Having presented an *abrégé* of Mr. Francis' history of the Bank of England, it has occurred to us that a few notes regarding the history of the Bank of Scotland might very properly follow. In banking, Scotland enjoys some reputation, because it is a business which she has conducted with remarkable prudence and success. It may therefore gratify more than a local curiosity to learn the particulars of the early career of the first national establishment of this kind. We can pretend to few extraordinary means of gratifying such a curiosity; but we chance to possess a rare pamphlet, in which the affairs of the Bank of Scotland for the first thirty years are traced, and from this we may cull some passages likely to be read with interest.

The pamphlet (our copy wants the title) appears to have been published in 1727, with the immediate view of supporting the establishment against a rival then set up under the appellation of the Royal Bank of Scotland. It is probably partial in its views, and upon this we have no check; but perhaps the fact is not of much importance. According to our anonymous author, the Bank 'has obtained a very universal and good reputation among all ranks, though *the nation in general knows little about it*, except the bare name, and that the Company lends money, and has public notes running, which are paid on demand.' This is a modest enough statement, which we can to some extent avouch, for we lately had in our possession an original letter written by James Drummond of Blair Drummond, May 26, 1720, to Mr. David Drummond, treasurer of the Bank, in which the following passage occurs:— 'I'm heartily glad the Bank holds out so well. Ther's great pains taken in the countrey to raise evill reports upon it. I had occasion to find so in a pretty numerous company the other day; yet *I did not find any willing to part with your notes at the least discount.*' As to the comparative notoriety of the establishment, we can fully believe the remark. It seems to have been long before the full uses of a bank were recognized in Scotland. As an illustration: in November, 1707, John Strachan of Craigherook was robbed of one thousand pounds sterling in coin, which he kept in a chest in his study, within his lodging in Edinburgh. This seems to show that for some years after the Bank was established, gentlemen continued to keep large sums of money in their own houses, instead of banking it.

The Bank of Scotland is usually said to have been established by William Paterson, the Scotchman who projected the Bank of England. But whatever may have been Paterson's secret concern in the matter, our author takes no notice of it, but distinctly says that 'the Bank was first projected at London by an English gentleman, John Holland, with whom,' he adds, 'eleven other Scots gentlemen, some residing at Edinburgh, and some at London, did join.' They procured in July, 1695, an act of the Scotch parliament organizing the Bank. The stock,

now £1,000,000 sterling (generally bearing a premium of about sixty-three per cent.), was originally £100,000; which, however, was described with the grandeur of the Scotch denomination as £1,200,000. The £800,000 Scots set aside for parties residing in Scotland was subscribed for in the course of the months of November and December, 'the Marquis of Tweedale, his Majesty's High Commissioner to that parliament, and Lord Chancellor at the time, and his son my Lord Yester, being the first subscribers.' The remaining third of the stock was subscribed in London in one day, a great part being taken by Scotchmen residing there. The first arrangement of officials gave the half of the direction and the appointment of governor to the English adventurers; but in a few years, when the number of English shareholders sank below thirteen, this was necessarily changed; and from that time the Bank was wholly in the management of natives.

The history of Scotland having been up to this time a tissue of war-like incident and religious contention, it is interesting now to trace the first dawns of the commercial spirit, and to observe the smallness of the transactions which our people could then compass. Only one-tenth of the stock being paid in, it is actually a fact that the first bank in Scotland commenced business with no more than £10,000! After twenty-six years, we find that only another tenth of the stock had been paid, making the active capital but £20,000. The Bank set up in no imposing edifice, such as those which now adorn the streets of modern Edinburgh and Glasgow, but in a *flat*, or floor of a house, in the Parliament Square, from which, unluckily, they were burnt out in 1700, but without any loss besides the furniture. The directors met some trouble soon after starting from an attempt at rivalry by the African Company, during which it was found necessary to call up the second £10,000 from the shareholders; but this was soon overpast, and the *extra capital returned as superfluous*. The Bank issued £100, £50, £20, £10, and £5 notes, which got into such good circulation, that the directors were encouraged to lend money freely on various kinds of security, heritable and movable. They also commenced an exchange trade. To support this, and favour the circulation of their notes, they opened branches at Glasgow, Aberdeen, Montrose, and Dundee; but this turned out ill, 'the expense far exceeding the advantage and convenience arising therefrom: for though the Company would willingly have been at some moderate charge to keep them up, if they could thereby have effectuated an answerable circulation of bank-notes about these places for accommodating the lieges in their affairs, yet they found that those offices did contribute to neither of those ends; for the money that was once lodged at any of those places, by the cashiers issuing bills payable at Edinburgh, could not be redrawn thence by bills from Edinburgh: so the directors were obliged to give up those offices (after having been at considerable charges in the experiment), and to *bring their money to Edinburgh by horse-carriage*.' We find it stated by Dr. Cleland that this attempt was made in Glasgow in 1696, and abandoned in the ensuing year. He says it was renewed in 1731, but again given up in 1733, for the same reason of want of business. It was not till

1749 that banking fairly took root in the commercial emporium of the west.\*

One-pound notes, an article which has since been remarkably *naturalized* in Scotland, were first issued by the Bank of Scotland in January, 1699. The anonymous historian of the Bank says, they 'are found to be very convenient, not only in the country, but also in the city of Edinburgh, though there is scarce any hopes that they can obtain a currency, to any considerable value, in our public markets and fairs, as some have thought, for nothing answers there among the common people but silver money, even gold being little known among them.' This passage will amuse those who reflect on the now inveterate attachment of Scotland to one-pound notes; a cause in which Sir Walter Scott had almost made her draw the claymore in 1826, and which would even now be a stumbling-block in any general measure for making our currency more metallic. The allusion to the prevalence of silver money in the seventeenth century shows the sense of the general term for money still used in Scotland—*siller*.

In 1704, there was a scarcity of cash all over the kingdom, and a rumour arose that the privy-council designed by proclamation 'to raise the value of the several current species.' This caused a run of twenty days' continuance on the Bank, which at length, being exhausted of cash, was obliged to stop payment. At the request of the directors, the privy-council inquired into the state of its affairs, which being found satisfactory, a memorial was published, by which public confidence was restored. The Bank made all easy by announcing its design to allow interest on its notes until they should be called in for payment. It was at this crisis that the second £10,000 was permanently raised from the shareholders. In the midst of the trouble, a teller named Pringle was detected as having embezzled £425 10s.; no small loss, considering the diminutive capital of the Company, and that its affairs were then in the hands of creditors.†

When it became necessary at the Union to draw in the Scottish coin, and replace it with British, the Bank of Scotland undertook the business, and accomplished it without fee or reward. The directors expected some favour in consequence from the government; but owing to the confusion following on the death of Queen Anne, no actual recognition of their service had been rendered by the government up to the time when our author wrote. It is curious, in our cool and regular times, to look back on the somewhat romantic troubles to which banking was exposed in the days of a disputed succession. 'The Pretender' appeared with a fleet off the mouth of the Firth of Forth in March, 1708, when the Bank of Scotland had a large sum lying in ingots in the Mint at Edinburgh, besides a considerable sum in its own office, being coin brought in to be recoinced; 'all of which could not well have been carried off or concealed.' But fortunately the dreaded expedition did not land. A similar danger arose at the breaking out of the rebellion of 1715. A run then taking place, and the directors having paid out all the specie of their own which they had in hand, it was found necessary,

\*New Statistical Account of Scotland, vi. 220.

† Maclaurin's Criminal Cases, p. 20.

on the 19th September, to stop payment, and order the notes to bear interest from that date. About £30,000 of public money, which they had in charge, was at the same time deposited for safety in the castle of Edinburgh. At the conclusion of the insurrection next spring, these notes were called in, and business recommenced with its usual regularity. It would appear that these temporary suspensions were justly estimated by the public, and that the credit of the Bank was in no degree seriously injured by them.

In fact the Bank of Scotland was now in something like the repute of a well-dowered lass—apt to be a little troubled by the impetuosity of her wooers. A company of adventurers had advanced £250,000 in the way of a stock, to be employed for the benefit of Scotland, as an *equivalent* for the share she took at the Union in the taxes occasioned by the national debt of England. These gentlemen, not content with the four per cent. which they were allowed on their debentures, wished to draw banking profits from their stock; and for this purpose they proposed a union with the Bank of Scotland, on a footing which would have been something like the result of the intrusion of a cuckoo into a sparrow's nest. The Bank, like a modest, judicious young lady, gave a civil refusal to the over-ardent addresses of the 'equivalent;' at which the suitor became very sulky. No sooner was this negotiation at an end, than a similar one came upon the tapis. A mutual-assurance society against losses by fire had been formed in Edinburgh, under the name of the Friendly Society, and as it met with good encouragement, it was immediately rivalled by a company professing the same objects, but contemplating a profit to themselves from the business. This latter body, styling themselves the Edinburgh Society, did not meet with success, and they therefore turned their thoughts to banking. They soon let it be understood that they must either be received into the Bank of Scotland, or they would do what was in their power to ruin it. Being disregarded, they collected notes of the Bank to the amount of £8,400, and taking an opportunity when the South Sea Scheme had drawn much specie away from Scotland, brought those all at once forward for payment. One cannot but smile at the expectations founded on a sum which must now represent so trifling a part of the daily business of the establishment. The plan failed, and there was no run in consequence. The disappointed Society was so mean, after all, as to offer a union of stocks, which was civilly declined. A few months afterwards it perished ignominiously, amidst the many other bubbles of the South Sea period.

Soon after, a similar proposal came from the Royal Exchange Assurance Company, and was dealt with in like manner. The clamours of these various courtships are, however, proof that many men felt themselves and their capital to be unjustly excluded from a share of the banking business of Scotland. It was not to be expected that the whole of that business could be long conducted upon twenty or thirty thousand pounds, with the possessors of other thousands standing round, all anxious to be at work in the same field. Accordingly, in 1727, a determined effort was made by the shareholders of the 'equivalent' to obtain the necessary sanction of the government for setting up a

rival bank. Our pamphleteer gives full details of the struggle there-  
 ament, and a fierce one it seems to have been. One insinuation made  
 use of against the Bank of Scotland was, that its management was ill  
 affected to the government; to which our author gives a decided con-  
 tradiction. We know not how far the contradiction was valid; but we  
 have seen some evidences of Mr. David Drummond, who was treasurer  
 (that is, manager) for many years, having been what was commonly  
 called a Jacobite. In Balthayock House, in Perthshire, there are pre-  
 served many curious papers of this gentleman, including a series of  
 friendly letters to him from the exiled Earl of Perth, the most hated of  
 the ex-ministers of the Stuarts in Scotland. There is also a subscrip-  
 tion list for a fund to provide sustenance and legal counsel to the many  
 Scottish gentlemen confined at Carlisle for their share in the insurrection  
 of 1715. If we are to regard this, as seems not unreasonable, in the  
 character of a muster-roll of those who were friendly to the cause of  
 the Stuarts, it may well surprise us, from the number and character of  
 the subscribers, there being in it the names of nineteen Scottish nobles  
 (Errol, Haddington, Roseberry, Morton, Hopetoun, Dundonald, Moray,  
 Rutherglen, Cassillis, Elibank, Colville, Blantyre, Coupar, Traquair,  
 March, Galloway, Kinnoul, Deskford, and Eglintoune), the Com-  
 missioners of Excise, the Merchant Company and three of the incor-  
 porated trades of Edinburgh, the magistrates of Haddington, the Society  
 of Periwigmakers in Edinburgh, &c. Above all, the subscription was  
 under the charge of Mr. Drummond, treasurer of the Bank of Scotland!  
 Whatever truth there might be in the charge of Jacobitism, as against  
 the management of the Bank generally, certain it is that the gentlemen  
 of the 'equivalent' gained their point, and were enabled in the same year  
 to set a-going with their capital the 'Royal Bank of Scotland,' which  
 has ever since maintained an honourable rivalry with its great original.

Since then, in the course of time, several other chartered banks have  
 been started in Scotland, besides many private joint-stock concerns,  
 most of which have been successful in their career. Amongst them all,  
 the primitive concern of 1695—long affectionately distinguished as the  
 AULD BANK—still rears its venerable head in the Old Town of Edin-  
 burgh, with a capital enlarged to a million, and thirty-one branches scat-  
 tered throughout the provinces. Time may give a sentimental interest  
 even to a bank. One cannot think quite unmovedly of such an institution  
 going on from the days when the soul of Scotland was still thrilling  
 with the Solemn League and Covenant, all through the times of the ro-  
 mantic expeditions of the Highlanders for the House of Stuart, and  
 down through the more wonderful events which marked the conclusion  
 of the last and beginning of the present century, with a credit, which  
 has not once been interrupted for 133 years, and a regularity of routine  
 which nothing during that time has broken, but the necessity of sending  
 the cash for a short time to the castle in 1745, to be out of the way of  
 Prince Charlie. Such things are not only curious historically; they  
 raise our ideas of human probity, and seem to show that the affairs of  
 mortals are not wholly of the inconsistent and fitful character which  
 common-place remark assigns to them.

## THE RAIL ROAD SYSTEM.

The Power of Rail Roads to increase Wealth.

By JAMES WILSON, M. P.

Before proceeding to consider the immediate effect of the liabilities under which the country is now placed to complete works in progress, and for which acts have actually been obtained, which, it will be seen, amount in this country alone to £74,407,520, and in others with which we are intimately connected to the sum of £89,862,170 more, we would shortly refer to two circumstances which of late years have set at liberty an enormous amount of capital for the extension of commercial and other profitable undertakings. The first is, the far more perfect banking system which has been introduced of late years, and its extension more generally throughout the country. By this means an incalculable amount of capital, which was formerly dispersed among the community generally in moderate sums, has of late, by the practice, now almost universal, of keeping banking accounts, and making payments merely by transfers from one banker to another by the use of cheques, been brought together, and a large sum rendered productive which was formerly idle. The other cause to which we refer, is the extraordinary effects of railways themselves, and other means now used to facilitate the transit of goods and save the time of travellers. There is no other means by which the resources of a country can be so well developed, and its wealth so much increased, as by facilities of communication by which interchange is rendered easy and cheap, and when communication is once established, by facilitating it as much as possible. This effect is rendered most apparent when we consider how much both internal and external communication, when rendered more certain and expeditious, as by the use of steam-boats, railways, &c., tends to decrease the amount of capital required to carry on any given amount of trade. In the first place, the rapidity and certainty of conveyance reduce very greatly the amount of stock of goods and produce which it is necessary at all times to keep on hand when communication is slow and uncertain, in order to do a given amount of business; and in the next place, the amount of goods in transit is enormously greater with a slow than a quick conveyance. The amount of capital absorbed in merchandize of all kinds, which was merely in transit, thirty years ago, when our continental and coasting trade was all carried on by slow and uncertain sailing packets, and our internal trade by canals and stage-wagons, compared with what the same now is, when conveyed by steam-boats and railways, must be very great. For example, suppose Manchester and Leeds are supplied with colonial produce from London. When it took seven days to convey those goods by canal, there must always have been, on an average, seven days' consumption on the road. If now the same thing is accomplished by railway in one day, it is quite clear that the capital representing six days' consumption, which was



formerly so locked up, is set at liberty for other uses; and when we look to the enormous extent to which this economy has taken place, not only in this country, but on the continent of Europe as well as in America, both by railways and steam-boats, the total amount of capital thus liberated must have been very great indeed. But the same remarks are equally, or even more, applicable to the economy of time which they effect to mankind. A man can accomplish now in a day what he could not do thirty years ago, in three or four days. The labour, therefore, of the whole population is thus rendered infinitely more productive; and is so far exactly in effect what it would be if we increased enormously the productive population of the country without increasing its number of consumers. When a man has a railway, or a new machine, which enables him to perform double the work he did before, the effect upon the country is the same as if each man had a stranger who came and gave him his labour without any remuneration, or without consuming any part of the produce. Railways and steam-boats are, therefore, great new machines by which both the capital and labour of the country has been economised, and each rendered wonderfully more productive; and it is this great advantage experienced by the community individually, which leads to the extensive traffic and high rates of profit which they have made, and which, in fact, is the best indication of their public utility. The best, nay, the only true criterion of the utility of any given outlay of capital, is the extent to which the public find it their interest to use it, and consequently the profit which it creates. Thus, all undertakings which afford the largest profits to individuals (which are not monopolies) are also the most advantageous to the community. The profit is the result and evidence of the usefulness. We are, therefore, at once free to admit, that there has not been any purpose to which the spare capital of the country has ever been employed, or to which it can in future be employed, so well calculated to promote all the great interests of commerce, industry, social improvement, political stability, and general happiness, as rail roads, or which is so well calculated rapidly to reproduce in many ways the national capital absorbed in their construction. And, moreover, they are peculiarly so, when compared with steam navigation with other countries, because, in our internal traffic we are happily released from the short-sighted jealousies which exist between different countries, which mar and interrupt all the great benefits which would otherwise arise from the facilities of communication under a free and uninterrupted intercourse.

However free we are to admit the advantages of railways as a means of investing the accumulations of the country, it is nevertheless a most essential thing that we should not attempt to carry out those improvements faster than the capital of the country will permit, and perhaps as much so in order that the construction of lines in useful and beneficial positions should not be prevented or rendered impossible for a long period, by the attempt to construct a great many lines in inferior and less important situations. Looking to the development of the system so far, it would be difficult indeed to say in what situation a railway would not be a great benefit, and where it might not ultimately be profitable.

## MISCELLANEOUS.

*Dividends of the Boston Banks, 1845, 1846, 1847, 1848.*

| NAME OF BANK.                  | 27 Banks, Dividend, Capital. | Oct. 1843. | Oct. 1843.             | April, 1843. | Year 1847. | Year 1846. | Year 1845. |
|--------------------------------|------------------------------|------------|------------------------|--------------|------------|------------|------------|
| Atlantic Bank, . . . . .       | \$ 500,000                   | \$ 17,500  | 3½                     | 3½           | 6½         | 6          | 6          |
| Atlas Bank, . . . . .          | 500,000                      | 17,500     | 3½                     | 3            | 6½         | 6          | 6          |
| Boston Bank, . . . . .         | 900,000                      | 36,000     | 4                      | 4            | 7          | 7          | 7          |
| Boylston Bank, . . . . .       | 150,000                      | 6,750      | 4½                     | 4            | 8          | 5          | new        |
| City Bank, . . . . .           | 1,000,000                    | 35,000     | 3½                     | 3½           | 6          | 6          | 6          |
| Columbian Bank, . . . . .      | 500,000                      | 20,000     | 4                      | 3            | 6          | 6          | 5½         |
| Eagle Bank, . . . . .          | 500,000                      | 17,500     | 3½                     | 3½           | 6½         | 6½         | 6½         |
| Exchange Bank, . . . . .       | 500,000                      | 20,000     | 4                      | 4½           | new        | .          | .          |
| Freeman's Bank, . . . . .      | 200,000                      | 9,000      | 4½                     | 4            | 8          | 8          | 7          |
| Globe Bank, . . . . .          | 1,000,000                    | 40,000     | 4                      | 3½           | 7          | 6½         | 6          |
| Granite Bank, . . . . .        | 500,000                      | 17,500     | 3½                     | 3½           | 6½         | 7          | 6          |
| Grocers' Bank, . . . . .       | 250,000                      | new        | .                      | .            | .          | .          | .          |
| Hamilton Bank, . . . . .       | 500,000                      | 17,500     | 3½                     | 3½           | 7          | 7          | 6          |
| Market Bank, . . . . .         | 560,000                      | 23,000     | 5                      | 5            | 9½         | 9          | 8          |
| Massachusetts Bank, . . . .    | 800,000                      | 24,000     | 3                      | 3            | 6          | 6          | 5.80       |
| Mechanics Bank, . . . . .      | 120,000                      | 4,800      | 4                      | 4            | 8          | 8          | 7          |
| Merchants Bank, . . . . .      | 3,000,000                    | 120,000    | 4                      | 4            | 7          | 7          | 7          |
| New England Bank, . . . . .    | 1,000,000                    | 40,000     | 4                      | 4            | 8          | 6          | 6          |
| North Bank, . . . . .          | 750,000                      | 22,500     | 3                      | 3            | 6          | 6          | 6          |
| Shawmut Bank, . . . . .        | 500,000                      | 20,000     | 4                      | 3½           | 7          | 6½         | 6          |
| Shoe and Leather Dealers Bk.   | 500,000                      | 22,500     | 4½                     | 4½           | 8          | 7½         | 6½         |
| State Bank, . . . . .          | 1,800,000                    | 63,000     | 3½                     | 3            | 6          | 6          | 6          |
| Suffolk Bank, . . . . .        | 1,000,000                    | 50,000     | 5                      | 5            | 10         | 8          | 8          |
| Traders Bank, . . . . .        | 400,000                      | 16,000     | 4                      | 3½           | 7          | 6          | 6          |
| Tremont Bank, . . . . .        | 500,000                      | 17,500     | 3½                     | 3½           | 6½         | 6          | 6          |
| Union Bank, . . . . .          | 800,000                      | 28,000     | 3½                     | 3½           | 7          | 6          | 6          |
| Washington Bank, . . . . .     | 500,000                      | 15,000     | 3                      | 3½           | 6½         | 6          | 5½         |
| Capital 27 Banks, . . . . .    | \$19,230,000                 | \$725,550  |                        |              |            |            |            |
| Dividend, April, 1843, . . . . | \$702,800                    |            | October, 1847, . . . . |              | \$658,300  |            |            |
| " April, 1847, . . . .         | 623,000                      |            | October, 1846, . . . . |              | 603,000    |            |            |
| " April, 1846, . . . .         | 593,000                      |            | October, 1845, . . . . |              | 561,500    |            |            |

**BANK OF VIRGINIA.**—Charles T. Beale, Esq., has been appointed President of the Branch Bank of Virginia, at Buchanan, in place of James L. Woodville, Esq., deceased.

**CANAL BANK OF ALBANY.**—The case of Theodore Ollcott, Cashier of the late Canal Bank, for embezzlement of the funds of one of the country banks, came on for trial at Albany, in October, and was given to the jury on the 18th of the month. The jury came into court stating that they could not agree, whereupon they were discharged. It is understood that there were four for conviction and seven for acquittal.

**CHESTER COUNTY BANK.**—The Cashier of the Bank of Chester County, at Westchester, Pa., gives notice that none of the old issues of that Bank, of a date prior to 1848, will be redeemed, unless satisfactory evidence is given that the notes were honestly obtained. It will be recollected that the President of the Bank was robbed of \$50,000 of their circulation in December, 1847; since when the Bank has redeemed such portions of their paper as were shown to be received in regular business.



**TRIAL FOR FORGERY.**—The case of George Miller, for forgery, came on for trial before the Municipal Court at Boston, early in October. The jury returned a verdict of guilty. His counsel filed a bill of exceptions, and Mr. Miller was ordered to find new securities in the sum of \$15,000 for his appearance.

### Notes on the Money Market.

NEW YORK, OCTOBER 23, 1848.

There is some little relief in the money market since the publication of our last No.; but the street rates for good paper are yet exorbitant. The price of sterling bills has come down to 8 a 8½, the latter being the quotation of the best drawers in Wall Street. Messrs. Corcoran and Riggs have, it is positively asserted in the daily journals, effected a sale of three millions of the new loan subscribed for by them. This had some effect upon foreign exchanges, and with other causes has tended to relieve the money market in some degree.

It has been made known that the Secretary of the Treasury has, within the past month, advanced \$800,000 of coin to holders of treasury notes—taking the notes at par, and the same amount to be returned to the parties within two months. This circumstance is one of the strongest arguments against the Sub-Treasury. It is apparent that the government will, at times, accumulate more specie in its vaults than is required for the operations of the Treasury. Thus the government must frequently assume a position inimical to the commercial interests of the country. Every dollar retained in the Sub-Treasury is so much withdrawn from circulation, and its utility for the time being destroyed. The government should foster instead of repressing trade; and in lieu of hoarding up the capital of the country for its own purposes, should allow it to have free circulation and contribute to the welfare of the whole.

**BOSTON.**—The money market at Boston has been stringent for some weeks past. Several heavy failures have occurred, among which we regret to name that of Henshaw, Ward & Co., whose liabilities are stated at four hundred and twenty thousand dollars. The operations of the tariff of 1846 are now most severely felt by capitalists and manufacturers. The cotton mills of New England are reducing their stocks, finding that they cannot profitably compete with foreign capital where money is worth only three per cent. per annum; nor with European labour, which costs two-thirds of ours. The iron interests of Pennsylvania, likewise, are now suffering for want of protection. Contemporaneously, we find our great staple, cotton, reduced fifty per cent. from its prices as compared with 1847. Thus the most important interests of the whole country are depressed.

The exports of bread-stuffs to Europe afford a more cheering prospect to the agricultural portion of the community; but the results of these shipments upon the country at large are not favorable. A rise in grain abroad is sure to be accompanied by a fall in cotton at home.

**PHILADELPHIA.**—Money has been scarce for some weeks at Philadelphia, and several failures of houses of previously high standing have added to the screws upon the money market. Good bills are selling at 1½ a 2 per cent. per month. Dividend day is at hand for nearly all the banks of Philadelphia. We refer our readers to our monthly quotations of stocks, by which it will be seen that the banks of Philadelphia maintain prices far above those of other cities. Their dividends are ordinarily larger than in any other city of the Union.

**CHARLESTON.**—Exchange on New York is selling at ¾ a 1 premium.

**NEW ORLEANS,** October 14th.—Sterling bills 7 a 9 premium. Francs 5. 13 a 5. 20. New York sight bills ½ a 1 premium. The receipts of cotton thus far are 153,000 bales against 87,000 bales for same period in 1847.—(Say from 1 September to 14 October.) The banks of New Orleans have on hand in coin \$7,600,000, and their circulation is \$5,700,000. One-third of this coin is held by the Bank of Louisiana.

THE  
BANKERS' MAGAZINE,  
AND  
State Financial Register.

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VOL. III.

DECEMBER, 1848.

No. VI.

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HISTORICAL SKETCHES OF EARLY BANKING.

No. III.

*The Merchants' Bank in the City of New York.*

In the year 1803 the only banking institutions in this city were the Bank of New York, the Manhattan Company, and a Branch of the Bank of the United States, wielding together an aggregate capital of 5,550,000 dollars.

In that year a meeting of Merchants and Capitalists was held, and resolutions passed inviting subscriptions to a banking institution under the name of the MERCHANTS' BANK in the City of New York. The amount of capital to be subscribed was limited to \$1,250,000, which was immediately filled, and the original subscription list is still in possession of the Bank. The first Board of Directors chosen by the subscribers to manage its concerns, were,—

OLIVER WOLCOTT,  
RICHARD VARICK,  
PETER JAY MUNRO,  
JOSHUA SANDS,  
WILLIAM W. WOOLSEY,  
JOHN HONE,  
JOHN KANE,  
THOMAS STORM,

ISAAC BRONSON,  
JAMES ROOSEVELT,  
ROBERT GILCHRIST,  
WYNANT VANZANDT, JR.,  
JOHN SWARTWOUT,  
HENRY J. WYCKOFF,  
ISAAC HICKS,  
JOSHUA JONES.

Oliver Wolcott was elected President, and Lynde Catlin, Cashier.

In order to avoid individual liability by the stockholders, the following form of bank notes was prepared by Peter Jay Munro, Alexander Hamilton and Richard Harrison, counsel of the bank.

“Original capital stock 1,250,000 dollars. The President and Directors of the MERCHANTS' BANK in the City of New York, promise to pay out of the joint funds or effects thereof, to John Hone, or

bearer, on demand, ONE HUNDRED dollars: but the separate property of the stockholders is not liable; nor are they to be personally responsible, except so far as to cause the joint funds of the company to be applied thereto.—*New York, 7th June, 1803.*

LYNDE CATLIN, *Cashier.*

OLIVER WOLCOTT, *Presd't.*"

Conditions similar to those contained in the circulating notes were attached to the bank book of each dealer with the bank.

But doubts still existed in the minds of timid stockholders as to their personal liability, and an application was made to the State Legislature for a charter in the winter of 1804.

Not only was this refused, in consequence of the opposition of the city banks and others, but a law was passed commonly called the "Restraining Act," prohibiting associations of this kind from carrying on the business of banking, and only exempting the Merchants' Bank from its provisions until May, 1805. In April of that year, however, another application for a charter was more successful, and it was granted—but burthened by a bonus to the State of fifty thousand dollars. An additional Act of the Legislature in 1807 authorised the State to subscribe to its capital stock for the benefit of schools and colleges, whereby the State became largely interested in the bank, increasing its capital to \$1,490,000, the present amount.

The first charter of the Merchants' Bank expired in 1818. It was extended in 1813 to 1832; and by a subsequent act continued to 1857. Its affairs are managed by thirteen directors, of which the Treasurer of the State is one *ex-officio*.

It has now been established over forty-five years, and has paid to its stockholders during that period, dividends averaging over seven per cent. per annum. The following is a list of its principal officers since its organization:

| Presidents. |                 | Cashiers. |                |
|-------------|-----------------|-----------|----------------|
| 1903,       | OLIVER WOLCOTT, |           | LYNDE CATLIN.  |
| 1804,       | JOSHUA SANDS,   |           | Do.            |
| 1808,       | RICHARD VARICK, |           | Do.            |
| 1817,       | Do.             |           | G. B. VROOM.   |
| 1820,       | LYNDE CATLIN,   |           | Do.            |
| 1824,       | Do.             |           | WALTER MEAD.   |
| 1833,       | JOHN J. PALMER, |           | Do.            |
| 1838,       | Do.             |           | O. J. CAMMANN. |

The following additional particulars in the history of this bank will be found interesting:

At the Session of the Legislature of the State of New York in 1805, the associates composing the Merchants' Bank, applied for a charter. The application was based on the ground that more banking capital was required to facilitate commercial and other business in the City of New York; and that having invested their capital for banking purposes, when by law they had a right so to use it, and having incurred considerable expense in the prosecution of their objects, they claimed from the justice of the Legislature, either an act of incorporation or the privilege of using their money in the manner they were by law authorized to do when they incurred those expenditures. These grounds

would entitle them to some relief. But the leading Representatives from the City of New York in the Legislature, (including De Witt Clinton,) some of whom were largely interested in and Directors of the Manhattan Company, and also several of the most influential republicans of Albany, at the head of whom were John Taylor and Judge Spencer, and who were deeply interested in the State Bank at Albany—warmly opposed this application. They did not ostensibly oppose it, because the increase of banks would diminish the profits of existing institutions; but because they alleged that the public interest did not require an additional bank in the City of New York; and because, as they asserted, the granting of the application *would be injurious to the Republican party*, the applicants being of the Federal party. Hence, the Republican or Democratic papers, the American Citizen of New York, and Albany Register, were made to announce that the applicants were “Federalists and Tories,” and to urge *that* as a reason why the Republican members of the Legislature ought not to listen to the application.

The applicants, finding they were resisted for reasons exclusively of a party character, resorted to such measures as they considered would be effectual, to secure the granting of their charter. According to Hammond's Political History of New York, from which we take these facts, the applicants for the bank appointed as their agent, Isaac Kibbe, a Burrite of some distinction, and for many years afterwards notorious for his services in the Legislative lobby. Through Mr. Kibbe and Ebenezer Purdy of the Senate, it afterwards appeared, as was alleged, that corrupt offers had been made to members of the Legislature, if they would vote for the act incorporating the Merchants' Bank. The few Federal members who then belonged to the Senate, voted for the Bill. With them Messrs. Purdy, Savage, Hogeboom, Burt, and other Republican or Democratic members voted, so as to make up the number of fifteen in the affirmative, and there were twelve Senators in the negative.

When the Bill came into the Assembly from the Senate, it was taken in charge principally by William W. Van Ness, then a Federal member from the county of Columbia; and afterwards a distinguished Judge of the Supreme Court of the State. After some proceedings were had upon it in that body, and after a question had been taken on the first clause of the Bill, which was adopted by a majority of votes, a complaint was made that the company had, by their agents, attempted to bribe some of the members of both Houses; and a committee was appointed to inquire into the truth of the charge, consisting of Messrs. Gilbert (of New York,) Livingston, German, McIntyre, Arcularius, Sylvester and Sush. On the motion of one of the Federal members of the House, the committee, after considerable debate, were instructed to inquire if any corrupt means had been used by these *and other* applicants for bank charters, by which it was no doubt intended to inquire into the means used by the State Bank to obtain its charter; but it does not appear that this branch of the inquiry was undertaken by the committee.

Upon investigation it appeared that the applicants for the charter had offered John Ballard, Gurdon Huntington and Peter Betts, members of

the Legislature, if they would vote for the bank, the right of subscribing for a given number of shares of the institution, with a guarantee that those shares should be purchased of them at an advance of twenty-five. It also appeared that Purdy had attempted to corrupt Stephen Thorn, a Senator, and Obadiah German, an influential member of the Assembly. But notwithstanding these palpable proofs of attempts at corruption, the vote in favor of the Bill on its final passage in the Assembly, was stronger than the vote on its enacting clause. Public opinion in the City of New York was decidedly in favor of the bank and its incorporation. It was also favored by Governor Morgan Lewis—and having passed the Council of Revision, became a law.

Mr. Hammond, in the work referred to, (*Political History of New York*), remarks, that he believes the applications to incorporate the State Bank of Albany, and the Merchants' Bank of New York, were meritorious, and ought, standing on their own merits, to have been granted; and that the error consisted in permitting those interested in banks to make a political question of a matter not properly such, with a view to subserve their own individual interests.

The connection of the Merchants' Bank and other similar city institutions, with the passage and operating of the Safety Fund Act, will be noticed in a future article.

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GOOD AND BAD LUCK.—I may here, as well as anywhere, impart the secret of what is called *good* and *bad luck*. There are men who, supposing Providence to have an implacable spite against them, bemoan, in the poverty of a wretched old age, the misfortunes of their lives. Luck for ever ran against them, and for others. One with a good profession, lost his luck in the river, where he idled away his time a-fishing, when he should have been in the office. Another, with a good trade, perpetually burnt up his luck by his hot temper, which provoked all his employers to leave him. Another, with a lucrative business, lost his luck by amazing diligence at every thing but his business. Another, who steadily followed his trade, as steadily followed his bottle. Another, who was honest and constant to his work, erred by perpetual misjudgments—he lacked discretion. Hundreds lose their luck by indorsing, by sanguine speculations, by trusting fraudulent men, and by dishonest gains. A man never has good luck who has a bad wife. I never knew an early-rising hard-working prudent man, careful of his earnings, and strictly honest, who complained of bad luck. A good character, good habits, and iron industry, are impregnable to the assaults of all the ill luck that fools ever dreamt of. But when I see a tatterdemalion creeping out of a tavern late in the forenoon, with his hands stuck into his pockets, the rim of his hat turned up, and the crown knocked in, I know he has had bad luck—for the worst of all luck is to be a sluggard, a knave, or a tippler.—*Lectures to Young Men, by H. W. Beecher.*

# PRODUCTIONS AND CAPITAL OF THE U. S.

From the New Orleans Commercial Times.

In examining the resources of our country, no single object—indeed no half dozen objects—should determine the estimate. The whole field of labor and capital should be carefully surveyed, to ascertain its production, on the best evidence at command.

Previously to 1840 no regular effort had been made to obtain a statistical view of the pursuits and property of our people; but, with the census of that year, a mass of information was ordered to be taken, which has since formed the basis of reports and dissertations upon our national industry. We have drawn from this common storehouse the data on which a statement of the agriculture, commerce, manufactures, and general condition of the United States, comparatively, has been prepared. The rule adopted in arriving at the amounts in our tables, has been to add twenty-five per cent. on the returns of 1840, as that is the generally supposed increase of population within the last eight years, and of course the proper ratio of the productive energies of the country. Our plan is designed to be intelligible to all. The matter collected is a fair representation of our annual products from the soil, and in part from machinery. Much labor has been bestowed in the preparation of the tables below, as may be inferred from the nature of the work. Under the head of "crops" thirteen articles are included, on each of which the value has been adjusted to the several States, with the necessary advance on the same items, as they were reported in 1840; thus affording the approximate value of the crop of 1848, together with the sums invested in manufactures and merchandise, respectively. In making up the "Crops" in our table, prices have been assumed as follows: Cotton at 6 cents per pound; sugar 4; rice 3; tobacco 7. Wheat 60 cents per bushel; corn 30; barley 30; oats 25; rye 40; buckwheat 50; and potatoes 30 cents. Hay \$10 and hemp and flax \$50 per ton. These are the home prices, before transportation to market, and apply to the first column of the following table:

*Estimated value of the Crops of 1848, and the sums invested in Manufactures and Merchandise in each State.*

| States.                   | Crops.       | Manufactures. | Merchandise. |
|---------------------------|--------------|---------------|--------------|
| Maine, . . . . .          | \$13,000,000 | \$10,000,000  | \$5,000,000  |
| New Hampshire, . . . . .  | 9,000,000    | 12,000,000    | 3,000,000    |
| Massachusetts, . . . . .  | 11,000,000   | 52,000,000    | 16,000,000   |
| Rhode Island, . . . . .   | 1,500,000    | 13,000,000    | 4,000,000    |
| Connecticut, . . . . .    | 9,000,000    | 17,000,000    | 8,000,000    |
| Vermont, . . . . .        | 15,000,000   | 5,000,000     | 4,000,000    |
| New York, . . . . .       | 79,000,000   | 69,000,000    | 53,000,000   |
| New Jersey, . . . . .     | 11,000,000   | 14,000,000    | 5,000,000    |
| Pennsylvania, . . . . .   | 55,000,000   | 60,000,000    | 45,000,000   |
| Delaware, . . . . .       | 1,800,000    | 2,000,000     | 1,300,000    |
| Maryland, . . . . .       | 10,000,000   | 8,000,000     | 13,000,000   |
| Virginia, . . . . .       | 38,000,000   | 13,000,000    | 21,000,000   |
| North Carolina, . . . . . | 19,000,000   | 5,000,000     | 6,000,000    |

|                                 |               |               |               |
|---------------------------------|---------------|---------------|---------------|
| South Carolina, . . . . .       | \$14,000,000  | \$4,000,000   | \$10,000,000  |
| Georgia, . . . . .              | 21,000,000    | 4,000,000     | 11,000,000    |
| Alabama, . . . . .              | 17,000,000    | 3,000,000     | 8,000,000     |
| Mississippi, . . . . .          | 14,000,000    | 2,000,000     | 7,000,000     |
| Louisiana, . . . . .            | 19,000,000    | 8,000,000     | 20,000,000    |
| Tennessee, . . . . .            | 40,000,000    | 5,000,000     | 9,000,000     |
| Kentucky, . . . . .             | 28,000,000    | 7,000,000     | 11,000,000    |
| Ohio, . . . . .                 | 49,000,000    | 20,000,000    | 27,000,000    |
| Indiana, . . . . .              | 47,000,000    | 5,000,000     | 7,000,000     |
| Illinois, . . . . .             | 18,000,000    | 4,000,000     | 6,000,000     |
| Missouri, . . . . .             | 12,000,000    | 4,000,000     | 10,000,000    |
| Arkansas, . . . . .             | 6,000,000     | 1,000,000     | 2,000,000     |
| Michigan, . . . . .             | 7,000,000     | 4,000,000     | 3,000,000     |
| Florida, . . . . .              | 3,000,000     | 1,000,000     | 2,000,000     |
| Wisconsin, . . . . .            | 2,000,000     | 800,000       | 1,000,000     |
| Iowa, . . . . .                 | 2,000,000     | 300,000       | 1,000,000     |
| Texas, . . . . .                | .....         | .....         | .....         |
| District of Columbia, . . . . . | 100,000       | 1,200,000     | 3,000,000     |
| Total, . . . . .                | \$591,400,000 | \$343,300,000 | \$322,000,000 |

From the above estimate it will be seen that nearly \$600,000,000 in value will be derived this year from the cultivation of the soil, besides what may proceed from gardens, orchards, dairies, &c., amounting at least to \$50,000,000 more. These productions are increased with every harvest, as new parts of the country are settled and additional labor is employed in the ratio of population.

The live stock on farms is another item in the computation of wealth, which should not be omitted in our task. We give the number, with an estimation of value, at an average of sixty dollars for horses and mules, five dollars for neat cattle, two dollars and fifty cents for sheep, and two dollars for swine, as follows :

| <i>Live Stock.</i>          | <i>Number.</i> | <i>Value.</i> |
|-----------------------------|----------------|---------------|
| Horses and Mules, . . . . . | 5,432,000      | \$325,920,000 |
| Neat Cattle, . . . . .      | 18,738,000     | 93,690,000    |
| Sheep, . . . . .            | 24,136,000     | 60,335,000    |
| Swine, . . . . .            | 32,876,000     | 65,752,000    |
| Poultry, . . . . .          | .....          | 11,680,000    |
| Total, . . . . .            | .....          | \$557,377,000 |

As the grain crops are the very foundation of all support, a table showing their quantity and value is subjoined.

| <i>Grain.</i>           | <i>Bushels.</i> | <i>Value.</i> |
|-------------------------|-----------------|---------------|
| Indian Corn, . . . . .  | 471,913,000     | \$141,573,000 |
| Wheat, . . . . .        | 105,858,000     | 63,514,000    |
| Oats, . . . . .         | 153,939,000     | 38,459,000    |
| Rye, . . . . .          | 23,306,000      | 9,322,000     |
| Buckwheat, . . . . .    | 9,557,000       | 4,557,000     |
| Barley, . . . . .       | 5,200,000       | 1,560,000     |
| Rice, pounds, . . . . . | 101,000,000     | 3,031,000     |
| Total, . . . . .        | .....           | \$262,016,000 |

The cotton and sugar crop may be estimated upon data much more recent than the census statistics of 1840. Merely as conjectural we

adopt 2,400,000 bales of the one and 250,000 hogsheads of the other as the production of 1848. We also connect a number of miscellaneous articles in the statement :

|                           |              |                           |              |
|---------------------------|--------------|---------------------------|--------------|
| Cotton, . . . . .         | \$64,800,000 | Produce of Dairies, . . . | \$42,360,000 |
| Sugar, . . . . .          | 10,000,000   | Do. of Orchards, . . .    | 9,070,000    |
| Tobacco, . . . . .        | 19,176,000   | Hay, . . . . .            | 123,000,000  |
| Wool, 40 c. per lb. . . . | 17,900,000   | Hemp and Flax, . . . .    | 5,937,000    |
| Family Goods, . . . .     | 36,278,000   | Potatoes, . . . . .       | 40,614,000   |

The investments in factories of every description are stated generally in the table of the States. Believing that it would interest our readers to see some of the varieties and the proportion of capital in each, we submit the following :

|                           |              |                        |             |
|---------------------------|--------------|------------------------|-------------|
| Cotton Factories, . . .   | \$63,877,000 | Paper Factories, . . . | \$5,881,000 |
| Silk do. . . . .          | 342,000      | Printing do. . . . .   | 7,341,000   |
| Flax do. . . . .          | 260,000      | Powder do. . . . .     | 1,094,000   |
| Mixed do. . . . .         | 5,460,000    | Rope do. . . . .       | 3,006,000   |
| Tobacco do. . . . .       | 4,296,000    | Drugs, &c. do. . . . . | 5,633,000   |
| Hats, &c. do. . . . .     | 5,606,000    | Glass, &c. do. . . . . | 3,296,000   |
| Leather, &c. Factories, . | 35,000,000   | Carriage do. . . . .   | 6,963,000   |
| Candles, &c. do. . . .    | 3,346,000    | Furniture do. . . . .  | 8,736,000   |
| Liquor do. . . . .        | 11,433,000   | Mills, &c. . . . .     | 82,322,000  |

Having shown the outlay, it is proper to notice the return from manufacturing operations, which is given, without method, in the following statement :

| <i>Manufactures.</i>    | <i>Value.</i> | <i>Manufactures.</i>     | <i>Value.</i> |
|-------------------------|---------------|--------------------------|---------------|
| Cotton Goods, . . . . . | \$57,937,000  | Carriages, . . . . .     | \$13,623,000  |
| Woollen do. . . . .     | 25,845,000    | Furniture, . . . . .     | 9,443,000     |
| Mixed do. . . . .       | 8,181,000     | Cordage, . . . . .       | 5,097,000     |
| Silk do. . . . .        | 143,000       | Earthenware, . . . . .   | 1,255,000     |
| Flax do. . . . .        | 402,000       | Refined Sugars, . . . .  | 4,062,000     |
| Hats and Caps, . . . .  | 10,980,000    | Confectionary, . . . .   | 1,423,000     |
| Bonnets, . . . . .      | 1,845,000     | Musical Instruments, . . | 1,154,000     |
| Leather, &c. . . . .    | 41,418,000    | Metal, . . . . .         | 12,668,000    |
| Glass, . . . . .        | 3,500,000     | Flour, . . . . .         | 95,681,000    |

Besides the amount set forth in a preceding table, as constituting the commerce, or rather the retail trade of the States, the sum of \$149,000,000 is employed in the commission business and foreign trade—together, making the sum of \$471,000,000 in our commerce.

We shall close, for the present, the statistics of our national industry and resources. That we have made such a rapid progress within less than three-fourths of a century, since, as a people, we cast off the shackles of monarchy, is astonishing, even to ourselves. The tables show the immense productions and business of the country, and as such we submit them for whatever they are worth.

In relation to the amounts stated as the annual product of manufactures, some doubt of their accuracy may perhaps be entertained, from the access, in some instances, over the capital invested. Though we consider the returns made with the census as in some degree imperfect, from a difficulty of a first attempt of the kind, yet they are the nearest



and most reliable approximation with which the country has been furnished on the subject. The value of manufactured articles may exceed the capital paid out for buildings and machinery; but the cost of labor and of the raw material has to be deducted from the gross proceeds, and then the balance is subject to dividend as profits. Throughout the whole process, agriculture is the primary element, giving subsistence to labor, and probably nine-tenths of the staple afterwards converted into fabrics.

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## ILLINOIS AND MICHIGAN CANAL.

From the Chicago Journal.

The Illinois and Michigan Canal connects Lake Michigan, at Chicago, with the Illinois river at La Salle. This last named point is usually considered to be the head of steamboat navigation on the Illinois, although boats do occasionally pass further up the stream, in times of high water. La Salle is 212 miles above the mouth of the Illinois, 250 above St. Louis, and about 1500 miles above New Orleans.

The construction of the canal was commenced in 1836 and continued until the close of 1842, when for the want of adequate funds to prosecute the work, operations were brought to a close; at that period about \$5,000,000 had been expended; the entire cost upon the modified plan is about six and a half millions of dollars. It was at this juncture that the State of Illinois, in order to secure a loan of money sufficient to complete the canal upon a modified and less expensive plan of construction offered to pledge the canal and all its works, together with some 230,000 acres of canal lands, to such of her creditors as would come forward and advance a sum sufficient to complete the work in the modified form, the estimated cost of which was set down at \$1,600,000. As an additional inducement for the creditors to come forward and furnish this sum, the State agreed to register bonds of the subscribers to the loan to an extent equal to twice and a half the amount they might subscribe, and to secure to such subscribers priority of payment of said registered bonds, both interest and principal; and for the security thereof, the canal, lands, &c., were, by the law authorising this measure, to be placed in the hands of three trustees, two acting for the bondholders or subscribers to the loan, and one for the State.

Upon this proposition several of the large holders of bonds in Europe, caused the canal and all its affairs to be examined by two agents, appointed by them, for that purpose, and upon receiving from the agents thus appointed, satisfactory evidence that the property offered as security for the loan might be considered sufficient to reimburse the same, principal and interest, they, together with a large number of the American bondholders, agreed to furnish the sum named as necessary to complete the canal—\$1,600,000.

The 230,000 acres of land spoken of, constitute about four-fifths of the entire quantity which the general government granted to the State of Illinois in 1827, to aid in the construction of the canal. These lands lie on both sides of the canal, and within three miles of it, in alternate sections of 650 acres each; all the residue, or the intervening sections, having been sold by the United States, and much of it, as well as 50,000 acres of the donation made to Illinois, sold by the State, settled upon and cultivated. That which remains unsold, now known as canal lands, has been greatly enhanced in value by the proximity of the surrounding improved lands. As the law which authorised the loan of \$1,600,000 requires these 230,000 acres to be brought to sale within three months after the completion of the canal, it will be seen by an advertisement in another column, that they will soon be brought into market for sale, affording an excellent opportunity for those who desire to become inhabitants of one of the most important, thriving, and rapidly improving States in the West.

Since the opening of the canal, business along the line has been exceedingly active. Freight boats and passenger boats are running back and forth continually; and there is no doubt but that the revenue from this work, the first year of its operation, which can be but partial, on account of the short supply of boats, will exceed the anticipations of all. It is one of the most important works of the kind in the western country; it furnishes the most expeditious route from the Mississippi river to the Lakes, and it is impossible to estimate the extent of its maximum business.

One great article of trade upon this canal will, without doubt, be the coal of the Illinois valley, both for the use of the steamers on the Lakes, and for domestic purposes. Five years ago (1842) 80,000 bushels of coal only were brought to Cleveland; but last year (1847) 2,000,000 bushels were sold there. The steamboats prefer it, at the price of \$2 50 to \$3 per ton, because it requires so much less room, is handled with less labor, and generates as much steam per ton, as two cords of wood will generate; wood per cord costs about the same as a half ton of coal.

Lumber from the lake to the Mississippi is to be a great article of trade also. Corn, which can be and is raised in great abundance on the Illinois river, can be supplied at a profit to the grower, and delivered on the bank of the river for twelve and a half cents per bushel. This will be put into canal boats in bulk, and by means of the steamers tugged to the canal, and thence to Chicago, where this corn will be put on board the large propellers and sent direct to the St. Lawrence through the Welland Canal, and thence shipped to England. The first cost being light, and the transportation being entirely by water, it can be carried a great distance with profit to the buyer. Pork and beef, also, which hitherto have been sent to Chicago on the hoof, for slaughter, will be packed on the river, and sent by the canal to Chicago, while salt for the same will be sent from the lake, through the canal, to immense slaughtering establishments, similar to those which we see described in the Western newspapers. All the staple productions of the country on the Illinois and on the Upper Mississippi will find their way through this canal.

## ABSTRACT OF THE CONSTITUTION OF ILLINOIS, ADOPTED 1848.

From the American Almanac, 1849.

Every white male citizen, 21 years old, resident in the State for one year, may vote. Representatives, 75 in number and elected for two years, shall be 25 years of age, citizens of the United States, and three years inhabitants of the State. Senators, 25 in number and elected for four years, one half every two years, must be 30 years of age, citizens, and five years inhabitants of the State. These numbers shall be increased after the population of the State shall be 1,000,000; but the number of representatives shall never exceed 100. The pay of members is \$2 per day for the first 42 days, and \$1 per day afterwards. In forming senatorial and representative districts, the number of *white* inhabitants alone is regarded. The Legislature at every session may make appropriation for the next two years. The State may borrow \$50,000 to meet deficiencies; but not a larger sum (except in case of invasion, &c.,) unless the law has been submitted to the people, and unless it contain an irrevocable provision for a tax to pay the interest of the debt. The credit of the State cannot be lent.

The Governor and Lieutenant Governor, chosen, by a plurality of votes, once in four years, shall be 35 years of age, citizens of the United States for 14 years, and residents of the State for 10 years. The Governor shall reside at the seat of Government, and is not eligible for two consecutive terms. A majority of members elected to both Houses may defeat the Governor's veto. No bill shall become a law without the vote of a majority of the members elected to each House.

The State is divided into three grand judicial districts, each of which elects a judge for nine years, who must be 35 years old, a citizen of the United States and resident in the State for five years; and the three judges compose the Supreme Court, the jurisdiction of which is original in cases relating to the revenue, cases of mandamus and habeas corpus, and in some impeachments, and appellate in all others. After the first election, one of the three judges shall be chosen every three years, either by the State or by divisions, as the Legislature may direct. There are nine judicial circuits, each of which elects a judge for six years, who must be 30 years old, and otherwise qualified as are judges of the Supreme Court. Judges are not eligible to any other office during their term, or for one year after. A County Court, for the transaction of county and probate business, with limited civil and criminal jurisdiction, shall be held by a judge elected for four years.

No State bank can be created, nor revived. Acts creating banks must be submitted to the people, and receive a majority of votes in their favor. Stockholders are individually liable to the amount of their shares. Corporations, not for banking purposes, may be established under general laws. Slavery and lotteries are prohibited; duelling is a disqualification for office. The Legislature is required to pass laws at its first session to prevent the introduction of colored persons, free or slave, into the State. In addition to other taxes, two mills on a dollar shall be levied and applied to extinguishing the principal of the State debt, except the canal and school debt. The terms of all officers under the old con-

stitution are ended by the new. The office of public printer is abolished; printing to be done by contract. Amendments if passed by a two-thirds vote of all the members elected to each House of the Legislature, shall be published and referred to the next; if passed again by a majority of members, to the people, and if approved by a majority of the number of voters for representatives, shall be adopted. The calling of a convention, if recommended by a two-thirds vote of the Assembly, shall be submitted to the people, and if a majority of votes are in its favor, shall be called by the next Legislature. Amendments can be proposed to but one article of the Constitution at one session.

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#### PUBLIC DEBT OF ILLINOIS.

Extract from the Address to the People of Illinois, by the Convention of 1848.

The principal part of the debt is \$6,245,380; a two-mill tax in 1848 will produce about \$200,000. This tax will increase annually at the rate of about 7 per centum throughout the 25 years, reasoning from experience connected with Western advancement. Taking these two propositions as the basis of our calculation, in 19 years this tax will yield \$6,194,000, which leaves unpaid of the principal only \$51,380. There is, however, already accrued \$2,248,372 of interest, which will be increased to about \$3,000,000 before this provision can be carried into operation. There will accrue during the 19 years, \$3,559,916, making the aggregate of interest due at that time \$6,559,916, which however is subject to constant reduction from three-fifths of the mill-and-a-half fund now raised, which in the 19 years amounts to \$2,784,300, leaving interest then really due amounting to \$3,775,316. To this add the unpaid portion of the principal, \$51,380, and we have \$3,826,996, which, without any great increase of interest, is yet to be discharged. To do this we now have the aggregate fund produced from the three-fifths of the mill-and-a-half tax, and from the two-mill tax, which in the six following years will produce \$4,358,700, which will liquidate the whole amount, being an excess of nearly \$500,000. All this, too, without materially increasing our burdens, when viewed in connection with the proposed reduction of State expenses.

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**ASSIGNATS.**—At the end of the year 1792, there were 2200 millions of francs in assignats circulating in France. About this period, they fell rapidly to one-half of their nominal value. Their amount was, notwithstanding, gradually augmented; so that, in January 1795, they amounted to the enormous sum of 45,578 millions. But their real value was then only 18 for every 100. Again, in March 1796, one louisd'or could purchase no less than 7200 francs in assignats. These were then by law withdrawn from circulation, and redeemed by an issue of *mandats* at the rate of one for thirty.—[*Encyclopedia Americana.*]

THE WORLD WAS MADE FOR ALL.—In looking at our age, I am struck immediately with one commanding characteristic; and that is, the tendency of all its movements to expansion, to diffusion, to universality. To this I ask your attention. This tendency is directly opposed to the spirit of exclusiveness, restriction, narrowness, monopoly, which has prevailed in past ages. Human action is now freer, more unconfined. All goods, advantages, helps, are more open to all. The privileged, petted individual is becoming less, and the human race are becoming more. The multitude is rising from the dust. Once we heard of the few, now of the many; once of the prerogatives of a part, now of the rights of all. We are looking, as never before, through the disguises, envelopments of ranks and classes, to the common nature which is below them; and are beginning to learn that every being who partakes of it has noble powers to cultivate, solemn duties to perform, inalienable rights to assert, a vast destiny to accomplish. The grand idea of humanity, of the importance of man as man, is spreading silently, but surely. Not that the worth of the human being is at all understood as it should be; but the truth is glimmering through the darkness. A faint consciousness of it has seized on the public mind. Even the most abject portions of society are visited by dreams of a better condition, for which they were designed. The grand doctrine, that every human being should have the means of self-culture, of progress in knowledge and virtue, of health, comfort, and happiness, of exercising the powers and affections of a man; this is slowly taking its place, as the highest social truth. That the world was made for all, and not for a few; that society is to care for all; that no human being shall perish, but through his own fault; that the great end of government is to spread a shield over the rights of all—these propositions are growing into axioms, and the spirit of them is coming forth in all the departments of life.—*Dr. Channing.*

MAXIMS ON MONEY.—The art of living easily as to money, is to pitch your scale of living one degree below your means. Comfort and enjoyment are more dependent upon easiness in the detail of expenditure than upon one degree's difference in the scale. Guard against false associations of pleasure with expenditure—the notion that because pleasure can be purchased with money, therefore money cannot be spent without enjoyment. What a thing costs a man is no true measure of what it is worth to him; and yet how often is his appreciation governed by no other standard, as if there were a pleasure in expenditure *per se*. Let yourself feel a want before you provide against it. You are more assured that it is real want; and it is worth while to feel it a little, in order to feel the relief from it. When you are undecided as to which of two courses you would like best, choose the cheapest. This rule will not only save money, but save also a good deal of trifling indecision. Too much leisure leads to expense; because, when a man is in want of objects, it occurs to him that they are to be had for money, and he invents expenditures in order to pass the time.—*Taylor's Notes from Life.*

## BILLS OF EXCHANGE.

OF THE LAW RELATING TO PRESENTMENT FOR PAYMENT; AND OF PROTEST.

From Byles on Bills of Exchange, Philadelphia, 1848.

*(Continued from page 273.)*

And without circulating them it should seem that, if according to the course of business it be usual to retain such notes a reasonable time, that may be an excuse for omitting instant presentment. Moreover, the transmission of notes payable to bearer being attended with risk, the sender will, it seems, be allowed to cut the notes in halves, and send one set of halves on the next day, and one set the day after, or to send one set by coach and one by post. And it may make a difference in the time allowed for presentment if the notes be received by a servant or agent.

The same rules which govern the presentment and circulation of bank notes also apply to such bankers' paper as may be fairly considered part of the circulating medium of the country. Such are the bills of a country banker on his London correspondent.

A bill or note on which no time of payment is specified, is payable on demand.

Presentment for payment should be made during the usual hours of business, and, if at a banker's, within banking hours. If the party who is to pay the bill be not a banker, presentment may be made at any time of the day, when he may reasonably be expected to be found at his place of residence, or business, though it be six, seven or eight o'clock in the evening. And even though there be no person within to return an answer. Lord Tenterden, C. J., "As to bankers, it is established, with reference to a well-known rule of trade, that a presentment, out of hours of business, is not sufficient: but, in other cases, the rule of law is, that the bill must be presented at a reasonable hour. A presentment at twelve o'clock at night, when a person had retired to rest, would be unreasonable; but I cannot say that a presentment between seven and eight in the evening is not a presentment at a reasonable time."

Where a bill or note was made or accepted, payable at a particular place, it was formerly a point much disputed, whether a presentment at that place was necessary, in order to charge the acceptor, maker or other parties. At length, as we have already seen, it was decided in the House of Lords, that an acceptance, payable at a particular place, was a qualified acceptance, rendering it necessary in an action against the acceptor, to aver and prove presentment at such place. This decision occasioned the passing of the 1 and 2 Geo. 4, c. 78; by which it is enacted, that an acceptance, payable at a particular place, is a general acceptance, unless expressed to be payable there only, and not otherwise or elsewhere. On this statute it has been decided, that an acceptance is general, though the bill be made payable at a particular place by the drawer, and not by the acceptor. A declaration in an action against the *acceptor*, alleging a bill to be accepted payable at a banker's,



need not aver presentment at the house of that banker. "Since the statute," say the Court of Error, "a bill drawn generally on a party may be accepted in three different forms, i. e. either first generally, or, secondly, payable at a particular banker's, or thirdly, payable at a particular banker's and not elsewhere. If the drawee accepts in the second form, payable at a banker's, he undertakes, since the statute, to pay the bill at maturity when presented for payment, either to himself or at the banker's. Here the bill was accepted according to the second of these three forms."

It seems that in an action against the *drawer*, if the bill be accepted, payable at a particular place named by the *acceptor*, it is still necessary to prove presentment there. At all events, if the bill be *drawn*, payable at a particular place, presentment must be made there in order to charge the drawer. "The doubt," says Tindal, C. J., "which had been formed before the statute, as to the effect of an acceptance, payable at a particular place, was confined to the case where the question arose between the holder and the acceptor: in cases between the indorsee and the drawer, upon a special acceptance by the drawee, no doubt appears to have existed, but that a presentment at a place specially designated *in the acceptance* was necessary, in order to make the drawer liable upon the dishonor of the bill by the acceptor. Still less did the doubt ever extend to cases where the drawer directed, by the body of the bill, that the money should be paid in a particular place. Such, then, being the state of the drawer's liability at the time the statute was passed, it must still remain the same unless that statute has made an alteration therein. But it appears to us, that the statute neither intended to alter, nor has it in any manner altered, the liability of drawers of bills of exchange, but that it is confined in operation to the case of acceptance alone."

If the bill be made payable at a banker's, a presentment there will suffice. And if the bill be accepted, payable at a banker's, which banker happens to become the holder at its maturity, that fact alone amounts to presentment, and no other proof is necessary. If a bill be made payable in a particular town, a presentment at all the banking houses there will suffice; if at one of two towns, a presentment at either; if a particular house be pointed out by the bill as the acceptor's residence, a presentment to any inmate: or if the house be shut up, at the door will suffice.

But where a bill is accepted, payable at a particular place, it is not necessary in an action against the drawer to state the acceptance in the declaration, and, therefore, not necessary to state it to be at a particular place, nor to allege presentment at that place. Such a presentment as the acceptance requires is merely matter of evidence. But, if the special acceptance be alleged in the declaration, it may be necessary to state in an action against a *drawer* or *indorser* such a presentment as the acceptance requires, though a general allegation may suffice after verdict. If a bill be made payable at a particular place, it is not necessary to state a presentment to the *acceptor* there, it is sufficient to state a presentment at that place. An averment that a bill was presented to the acceptor will be satisfied by proof that it was presented at the place where it was made payable, though no person were there in attendance, and though the acceptor did not live there.

The statute 1 and 2 Geo. 4, c. 78, does not extend to promissory notes. If, therefore, a note be, *in the body of it*, made payable at a particular place, it is still necessary to aver and prove presentment there.

But, if the place of payment be merely mentioned in a memorandum, that is held to be only a direction, and not to qualify the contract; and consequently, a presentment there is not essential. And an averment in the declaration, that the note was made payable there, has even been held a fatal mis-description.

The consequence of not duly presenting a bill or note, is, that all the antecedent parties are discharged from their liability, whether on the instrument, or the consideration for which it was given.

The acceptor or maker, however, still continues liable. And, indeed, presentment is not in general necessary for the purpose of charging him; the action itself being held to be a sufficient demand, and that though the instrument be made payable on demand. But if a bill or note be payable at or after sight, it must be presented in order to charge the acceptor or maker. So must a note payable at a particular place, as we have just seen. But, though the absence of demand be in general no defence, yet, if the acceptor or maker pays on action brought without any previous demand, it seems the Court would, where they have the power, take the question of costs into consideration.

There are circumstances, however, which will excuse the neglect to present for payment.

Where a bill is seized under an *extent*, the indorsers are not discharged by non-presentment, for laches are not imputable to the Crown.

Neglect of presenting for payment is, as we have seen, excused in the case of a bank note payable on demand, and perhaps of other paper meant for circulation, if the holder, within the period at which he should have presented it, puts it into circulation.

If the acceptor or maker abscond, or his house be shut up, the bill or note may be treated as dishonored; but not if he have merely removed. If the drawee cannot be found, it will be sufficient to plead that fact, without averring that due search was made for him. Under an allegation that the bill was presented, evidence that the drawee could not be found is inadmissible.

Absence of effects in the drawee's hands will, as against the drawer, dispense with the necessity of presenting for payment.

A declaration by the acceptor, before a bill is due, that he will not pay, though made in the drawer's presence, does not dispense with presentment to the acceptor and notice to the drawer.

It has been held, that neglect to present bankers' cash notes, the banker having failed, will be excused by returning them.

Advantage from such neglect is waived by an antecedent party who subsequently, *with notice of the laches*, promises to pay the bill, or make, or promise to make, a partial payment on account of it.

As to the proper mode of pleading, where the plaintiff relies on any dispensation with presentment, see the Chapter on *Pleading*.

The defendant's part-payment or promise to pay, made after the bill or note is due, is *prima facie* evidence of presentment.



*Of Protest and Noting.*

Protest necessary on Foreign Bills, and why. By whom to be made. Office of a Notary. When to be made. Where to be made. Form of a Protest. Stamp on Protest. For better Security. Noting, what. Notice of Protest. Copy of Protest. When Protest excused. Protest of Inland Bills. Pleading. Evidence.

When a foreign bill is refused acceptance or payment, it was and still is necessary, by the custom of merchants, in order to charge the drawer, that the dishonor should be attested by a protest. For, by the law of most foreign nations, a protest is, or was, essential in case of dishonor of any bill; and, though by the law of England it is unnecessary, in the case of an inland bill, yet, for the sake of uniformity in international transactions, a foreign bill must be protested. Besides, a protest affords satisfactory evidence of dishonor to the drawer, who, from his residence abroad, might experience a difficulty in making proper inquiries on the subject, and be compelled to rely on the representation of the holder. It also furnishes an indorsee with the best evidence to charge an antecedent party abroad: for foreign Courts give credit to the acts of a public functionary, in the same manner as a protest under the seal of a foreign notary is evidence in our Courts, of the dishonor of a bill payable abroad.

The protest should be made by a notary public: but, if there be no such notary in or near the place where the bill is payable, it may be made by an inhabitant, in the presence of two witnesses.

A notary, *registrarius*, *actuarius*, *scriniarius*, was anciently a scribe that only took notes or minutes, and made short drafts of writings and other instruments, both public and private. He is at this day a public officer of the civil and canon law, appointed by the Archbishop of Canterbury, who, in the instrument of appointment, decrees "that full faith be given, as well in as out of judgment, to the instruments by him to be made." This appointment is also registered and subscribed by the clerk of her Majesty for faculties in Chancery. The present act for the regulation of notaries, is the 41 Geo. 3, c. 79. By the eleventh section of this statute, any person acting for reward as a notary, without being duly admitted, forfeits £50 to him that will sue for the same.

By the 6 Geo. 4, c. 87, s. 20, her Majesty's consuls at foreign ports or places are empowered to do all notarial acts.

And, by the 3 and 4 Wm. 4, c. 70, attorneys residing more than ten miles from the Royal Exchange may be admitted to practice as notaries.

The protest of a foreign bill should be begun, at least (and such an incipient protest is called noting,) on the day on which acceptance or payment is refused; but it may be drawn up and completed at any time before the commencement of the suit, or even before the trial, and ante-dated accordingly. An inland bill cannot be protested for non-payment till the day after it is due.

A protest is usually made where the dishonor occurred. The 2 and 3 Wm. 4, c. 98, enacts, that a bill made payable by the drawer at a place, other than the drawee's residence, and which bill shall not be accepted on presentment shall be, without further presentment, protested for non-payment in the place where it has been made payable.

A protest is, in form, a solemn declaration, written by the notary under a fair copy of the bill, stating that payment or acceptance has been demanded and refused, the reason, if any, assigned, and that the bill is therefore protested. When the protest is made for a qualified acceptance, it must not state a general refusal to accept, otherwise the holder cannot avail himself of the qualified acceptance.

A protest is subject to stamp-duty according to the following scale:

|                                               |   |    |   |
|-----------------------------------------------|---|----|---|
| On a bill or note not amounting to £20,       | 0 | 2  | 0 |
| Amounting to £20, and not amounting to £100.  | 0 | 3  | 0 |
| Amounting to £100, and not amounting to £500. | 0 | 5  | 0 |
| Amounting to £500, or upwards.                | 0 | 10 | 0 |

Besides the protest for non-acceptance and for non-payment, the holder may protest the bill for *better security*. Protest for better security is where the acceptor becomes insolvent, or where his credit is publicly impeached before the bill falls due. In this case, the holder may cause a notary to demand better security; and, on its being refused, the bill may be protested, and notice of the protest may be sent to an antecedent party. Yet, it seems, the holder must wait till the bill falls due before he can sue any party. Nor does there appear any advantage from the protest more than from simple notice of the circumstances; except that, after such a protest, there may be a second acceptance for honor. Whereas, without the intervention of a protest, there cannot be two acceptances on the same bill.

Noting is a minute made on the bill by the officer at the time of refusal of acceptance or payment. It consists of his initials, the month, the day, the year, and his charges for minuting; and is considered as the preparatory step to protest. "Noting" says Mr. J. Buller, "is unknown in the law, as distinguished from the protest: it is merely a preliminary step to the protest, and has grown into practice within these few years." A bill, however, is often noted, where no protest is either meant or contemplated; as in the case of many inland bills. The use of it seems to be, that a notary being a person conversant in such transactions, is qualified to direct the holder to pursue the proper conduct in presenting a bill, and may, upon a trial, be a convenient witness of the presentment and dishonor. In the meantime, the minute of the notary, accompanying the returned bill, is satisfactory assurance of non-payment or non-acceptance, to the various parties by whom the amount of the bill may be successively paid. In case of an inland bill, as it can only be protested under the statute, and the fees of a notary for protesting are thereby fixed at 6*d.*, it has been said that no more can be charged for noting, though it is usual to charge more.

The Court will not allow the expense of noting to be recovered against the acceptor, unless it be laid as special damage in the declaration.

If the drawer reside abroad, a copy, or some memorial of the protest, ought to accompany the notice of dishonor. But notice of the protest certainly is not necessary, if the drawer resides within this country, though, at the time of the non-acceptance, he may happen to be abroad: nor if, at the time of dishonor, he have returned home to this country. "If," says Lord Ellenborough, "the party is abroad, he cannot know of the fact of the bill having been protested, except by having notice of

the protest itself; but, if he be at home, it is easy for him by making inquiry, to ascertain that fact."

And it is now decided that a copy of the protest need not in any case be sent.

Proof of a protest of a foreign bill is excused, if the drawer had no effects in the hands of the drawee, and no reasonable expectation that the bill would be honored: or if the drawer has admitted his liability by promising to pay. "By the drawer's promise to pay," observes Lord Ellenborough, "he admits the existence of every thing which is necessary to render him liable. When called upon for payment of the bill, he ought to have objected that there was no protest. Instead of that, he promises to pay it. I must, therefore, presume he had due notice, and that a protest was regularly drawn up by a notary."

And it is said, that where the drawer adds a request or direction, that in the event of the bill not being honored by the drawee, it shall be returned without protest, by writing the words "*retour sans protêt*," or, "*sans frais*," a protest as against the drawer, and perhaps as against the indorsers, is unnecessary.

Inland bills may be protested for non-payment under the 9 and 10 Wm. 3, c. 17, and for non-acceptance under the 3 and 4 Anne, c. 9. But it has been held, that a protest is unnecessary, except to enable the holder to recover interest; and subsequent and uniform practice, confirmed by a late decision, has settled that it is superfluous even for this purpose.

Foreign bills are very frequently protested, both for non-acceptance and non-payment: but a protest is hardly ever made for non-acceptance of an inland bill, though it is sometimes protested for non-payment. It is conceived, that a protest of an inland bill is unknown to the common law, and must, therefore, derive its efficacy from the above enactments; from which it will follow, that it is applicable only to such instruments as are therein described, and that the steps therein required must be taken. As the 3 and 4 Anne, c. 9, puts promissory notes on the same footing as bills, it should seem to authorize a protest; and such protest is accordingly sometimes made. It would, therefore, be of no practical benefit further to discuss the provisions of these two loosely drawn and obscure statutes, with respect to the protest of inland bills.

The loss of a bill is no excuse for the absence of protest.

In an action against the drawer of a foreign bill, protest must be averred as well as proved; and it has been held, that, if protest of an inland bill be set forth in pleading, it must be proved. But this decision proceeded on the ground that an allegation of protest of an inland bill involved a consequential claim for interest and costs; whereas it has been since decided, that such a claim may be made without protest.

In an action on a foreign bill, presented abroad, the dishonor of the bill will be proved by producing the protest, purporting to be attested by a notary public; or, if there is not any notary near the place, purporting to have been made by an inhabitant, in the presence of two witnesses. But a protest made in England is not evidence of the presentment here.

A promise to pay is good prima facie evidence of protest, and of notice thereof.

## *The London Stock Exchange.*

### THE LONDON STOCK EXCHANGE.

From "The Great Metropolis," by Mr. Grant, author of "Random Recollections of the Lords and Commons."

Locality of the Stock Exchange—Rules and regulations—Different descriptions of Stock—Meaning of technical terms explained—The members of the Stock Exchange—Miscellaneous observations—Conduct of the members—Amount of business done in the place—Explanation of the mode of doing it—The late Mr. Rothschild—Attempts to compete with him—His occasional losses—Rapidity with which fortunes are lost or made on the Stock Exchange—Extent to which the funds sometimes rise or fall—The late Mr. Goldsmid—General remarks.

The Stock Exchange is a place of which one hears every day in the year, and every hour in the day, and yet very few know anything of it beyond the simple fact that it is the place where all the transactions in the funds occur. It is situated in Capel Court, nearly opposite the door at the east end of the Bank leading to the Rotunda. It is the property of a joint-stock company, and is a speculation which has turned out well for the shareholders. It was erected more than a quarter of a century ago. Before the present building was appropriated to transactions in the funds, those transactions took place in a house in Threadneedle Street. And it is a fact worthy of being mentioned, that though no exception has ever been taken to the business done in the Stock Exchange on the ground of the illegality of the place, that business actually is illegal. By an act of parliament which has never yet been repealed, it was ordained that all buying and selling of the public securities should take place in the Rotunda of the Bank. By a sort of common consent, however, the members adjourned from the Rotunda to the late Stock Exchange, and thence to the present, where they have remained ever since, no one troubling himself about the legality of their transactions.

The regulations which relate to the admission of members are numerous. Under the first general head of "Admissions," they are seventeen in number. Then comes the "Appendix to Admissions," in which are specified the forms to be gone through by every candidate for membership. The regulations are stringent as well as numerous; so strict that one would be apt to suppose that no man could ever cross the threshold of the house who was not a very exemplar of all that is praiseworthy in private morals and in public conduct. There is a committee for general purposes, in whom the right of admission is vested for one year, from the 25th of March of any year till the 25th of the following March.—A re-election of members takes place every year previous to the 25th of March. The election always takes place by ballot. The form of application is by letter, addressed to the secretary of the committee for general purposes. The applicant must state his name and residence, and furnish the address of his bankers. He must also signify his readi-

ness to regulate his conduct as a member of the Stock Exchange by those conditions and rules which have been already, or may afterwards be, adopted for the government of the members generally. Every person applying for admission who happens to be in partnership with another must sign a separate application for himself; and he must state distinctly, that neither on his own account, nor as the partner of any firm, is he engaged in any business other than that usually transacted at the Stock Exchange.

No new application is ever attended to by the committee unless the party applying be recommended by three persons who have been members of the house for at least two years. Each of the parties so recommending an applicant, must not only have fulfilled all his own engagements as a member of the house, but he must enter into an engagement to pay the sum of £300 to the candidate's creditors in case such candidate, after such admission, shall be publicly declared a defaulter either in the Stock Exchange or Foreign Stock Market, within two years of the date of his admission. The £900 of securities thus forfeited are applied to the liquidation of the defaulter's debts. The only instances in which these conditions are departed from are, first, in the case of a person who had been previously a clerk in the house for four years, or been a member of the Foreign Stock Exchange for three years immediately preceding, and had fulfilled all his engagements therein. Second, where the applicant has been a member of the foreign house for five years prior to his application, and discharged all his engagements therein, and whose character will at the same time bear the test of a rigid examination. Third, where the candidate is a foreigner not naturalised, or not having letters of denization. In the first case, it is only necessary that the party applying be recommended by two persons, each of whom enters into a security to the amount of £250; in the second, the candidate is admissible on the recommendation of two of the managers of the foreign house, being also members of the Stock Exchange, or by two of the committee for general purposes,—in neither of which cases will the parties giving the recommendation be required to enter into any security at all. In the third and last case of exception to the conditions and regulations just mentioned, the party is held to be inadmissible, unless he has been a resident in the United Kingdom for five years immediately previous to the date of his application for admission, and unless he is recommended by five members of the Stock Exchange, each of whom must enter into his own security for the fulfilment of the applicant's engagements to the amount of £300.

In order to guard against improper recommendations from an expected participation in the benefits to be derived from membership in the Stock Exchange, by the persons recommending any party for admission,—it is stipulated, that the candidate must not, after his admission, enter into partnership with any of the individuals recommending him for the period of two years after the time of admission, unless additional security, to an equal amount, be provided for the time which remains unexpired. On the same ground the recommendation of one partner by another will not be attended to, nor the security of any one such partner for another be accepted. Supposing the richest and the most influential

member of the Stock Exchange were to recommend his partner for admission, not the slightest attention would be paid to it.

Bill and discount brokers are now specially excluded from the Stock Exchange: other departments of business are denounced in general terms. Neither must the applicant's wife be engaged in any sort of business whatever. This regulation has sometimes caused a good deal of merriment in the city.

The committee, very properly, have a great horror of bankrupts. No party applying for admission, who has been a bankrupt, or has compounded with his creditors, shall be eligible until two years after he has obtained his certificate, or fulfilled the conditions of his deed of composition, unless, indeed—a case which is a perfect rarity in these degenerate times—he shall have paid his debts in full. It is also distinctly stipulated that no applicant who has more than once been a bankrupt, or more than once compounded with his creditors, shall be eligible for admission until he has paid his debts in full. This is manifestly telling the poor fellow that he must “all hope abandon” of entering the house in Capel Court: why do not the committee act in a straightforward manner, and tell him in so many words? Who ever heard of a man who had been twice a bankrupt, and twice compounded with his creditors, paying them in full? We expect to see no such gratifying spectacle until Robert Owen's bright visions of a new and perfect state of society have been realized.

The committee are hard customers to deal with in other respects than those I have mentioned. To make assurance doubly sure as to the character and circumstances of the candidate for admission, they will not be satisfied with the mere testimony or engagements of the parties recommending him, but put the following questions to himself: “Is this your signature?” (showing him his letter of application.) Have you read the resolution\* on the back of the letter? Are you a natural born subject? Are you of age? Are you engaged in partnership? Are you, or is your wife,† engaged in business? Are you a clerk in any public or private establishment?” In addition to these questions, the committee reserve to themselves the right of asking him whether he has ever been a bankrupt, or whether he has ever compounded with his creditors, &c.

But the regulations of the Stock Exchange are not strict merely as regards the admission of members; they are no less so as respects their continuance there; so that if a candidate fancy that he has got over all the unpleasant circumstances, when he has received intimation of his being elected, he will find himself very much mistaken. He must while a member, recollect the homely adage of not hallooing before he is out of the wood, which he never can be so long as he is in Capel Court; con-

\*The following is the resolution alluded to:—“That whenever the creditors of any defaulter shall represent to the committee for general purposes, or whenever it shall otherwise appear to the said committee, that the conduct of such defaulter has been dishonorable, or marked with any circumstances of impropriety, the said committee have the right to cause the name of such defaulter to be affixed to the black-board in the Stock Exchange.”

† That is, of course, provided he has one.

sequently, he must not halloo at all. He will find that it is no sinecure, or mere matter-of-course affair, scrupulously to observe the rules and regulations to which he engages to conform his conduct in all his transactions as a member of the house. There are many of these regulations which relate only, properly speaking, to himself; that is to say, if he infringes them he only suffers in his purse the same way as, in the ordinary transactions of life, a man suffers who makes an illegal bargain, or does something else which is contrary to the law. For example, if a member make any bargain beyond the regular hours of business, which are from ten to four, the committee will not recognize that bargain, in the event of the other party taking advantage of the infringement of the rules, as a valid transaction. Another regulation affecting a broker's own purse is, that which provides that no bonds can be returned on account of imperfection, which have been kept longer than three days. There are various others of a similar kind, affecting the member's own pecuniary interests; but it is not necessary I should advert to them in detail. In those cases in which a member transgresses the regulations of the committee in such a way as to affect the interests of other brokers or the body generally, he incurs the penalty of expulsion. I may mention two instances in which he renders himself liable to be expelled. If, finding himself unable to perform his engagements, he arrange privately with his creditors, and the circumstances become known to others, his name is to be at once affixed on a particular part of the Stock Exchange as a defaulter, and as an expelled party. A public failure also exposes the defaulter to expulsion; but then he is eligible for re-admission after the lapse of six months, provided he pay from his own resources at least one-third of the balance of any loss that may occur on his speculations, whether on his own account, or on that of principals.

The cases in which members may transgress the rules, though the penalty annexed is not so severe as expulsion, are a great deal too numerous to mention. Not the least terrible of the penalties incurred is that of having one's name written in legible characters on the black board kept for the purpose, and publicly exhibited in the place. This punishment can only be inferior in severity to the ancient one in many country towns, of having one's person exhibited in the pillory to the gaze of the mob, and the being pelted by various rotten commodities and nameless dead animals into the bargain. What aggravates the evil is, that it is not necessary in order to having a member's name chalked upon the black board, that any substantive offence beyond that of having failed, be proved or preferred against him. It is enough that the committee for general purposes come to the conclusion—no matter by what means they arrive at it—that the conduct of the defaulter has been dishonorable.

The ceremony of declaring a defaulter is an awful one to the unfortunate party himself; so very awful, that he always takes care to be at a reasonable distance from the house on the occasion. One of the waiters, before announcing the name, calls attention to it by giving two or three "tremendous blows" with a hammer on the wainscot. The noise which everlastingly prevails in the place, as will be afterwards seen,



renders the aid of the hammer necessary to make the waiter heard. When a temporary calm has been produced, he announces the name of the defaulter, who from that moment dare not show his face in the house until he gets his affairs managed, on pain of receiving personal treatment of a nature compared with which being roughly tossed in a blanket would be gentleness itself.

The committee,\* which consists of thirty members, annually chosen by ballot, have various other arbitrary powers, which they are not loth to exercise. A striking instance occurred in December last. A member having incurred their highnesses' displeasure, they did everything in their power to get him expelled; but finding in the end, on the advice of counsel, that the rules and regulations would not warrant in his case such an exercise of authority, they were obliged to content themselves with something like an expression of regret that they were not possessed of the power to expel the party.

The terms of admission to the Stock Exchange are at present £10 10s. The number of members is about 800.

In the quotation of the prices of the various descriptions of stock, certain regulations are observed. The prices of India stock, Bank stock, and South Sea stock or annuities, are not quoted where the amount purchased is under £500; nor is a quotation of prices made under the usual head on consols, reduced 4 per cents, 3½ per cents, or any other government perpetual annuities, where the sum contracted for does not amount to £1,000. If the sum amount to £500, and be under £1,000, the prices are to be quoted, but under a separate head. In the cases of omnium, scrip, and India bonds, the quotation is to be made when the amount purchased reaches £1,000. The prices of exchequer bills are quoted when the sum contracted for is £500; or £100 of small exchequer bills. The prices of long annuities, or any other terminable annuities, are quoted when the sum contracted for amounts to £25 per annum. In the case of shares of any public companies, the rule by which the quotation of prices is regulated, is that such quotation shall be made when the purchaser has bought to a sufficient amount to entitle him to a vote at the company's public meetings. As regards foreign stock again, the prices are only to be quoted when the sums contracted for shall amount to £1,000, stock or scrip, 1,000 fs. French rentes, 250 ducats Neapolitan rentes, £1,036 Russian stock, or any other foreign security representing about £1,000 stock.

It is a fact not generally known, that by one of the regulations of the Stock Exchange, any person purchasing stock in the funds, or any of the public companies, has a right to demand of the seller as many transfers as there are even thousand pounds in the amount bought. Suppose, for instance, that any person were to purchase £10,000 stock, then, instead of having the whole made over to him by one ticket of transfer, he has a right to demand, if he so pleases, ten separate transfers from the party or parties of whom he purchased.

The descriptions of English stock which are least generally understood

\*Either proprietors or subscribers are eligible to office, and the right of election is equally possessed by proprietors and subscribers.



are scrip and omnium. Scrip means the receipt for any instalment or instalments which have been paid on any given amount which has been purchased, of any government loan. This receipt or scrip is marketable,—the party purchasing it, either at a premium or discount as the case chances to be, becoming of course bound to pay up the remainder of the sum, on pain of forfeiting the money he has given for it. Omnium means the various kinds of stock in which a loan is absorbed; or to make the thing still more intelligible, a person purchasing a certain quantity of omnium, purchases given proportions of the various descriptions of government securities.

Bargains made one day are always checked the following day, by the parties themselves or their clerks. This is done by calling over their respective books one against another. In most transactions, what is called an option is given, by mutual consent, to each party. This is often of great importance to the speculator, and should always be stipulated for where circumstances will permit. There are so many different kinds of options in the purchase or sale of stock for time, that it is difficult to make them intelligible to the general reader. What is termed the put and the call, or the put and call for the account-day, or any other day, may be purchased for a sum of money, or so much per cent.; that is to say, you may, supposing the price to be 90, have the power to compel a sale or purchase of so much stock at £90 for one-eighth or one-fourth per cent., or for any other sum agreed on between the parties. In selling £1,000 consols, or any other sum for the account, you may, by submitting to a sacrifice of one-fourth or three-eighths, as the price of the option may have been fixed, acquire the power to compel the purchaser to take as much more, if you please; that is to say, provided it suits your interest in consequence of the fall of prices on the account day; or, in buying, you have in like manner the option, by giving something more for your stock, to call for double the quantity. You may buy at one price to put back at another, or sell at one price to call back at another, thereby fixing the amount of your risk.

By far the greater portion of business transacted in Capel Court is in what are called time bargains. By time bargains is meant, that no actual transfer of the stock ostensibly purchased for the account need take place, but the party purchasing engages to give, should the peculiar stock rise, the party selling any difference between the price at the time of the purchase and what it is on the day fixed for adjusting the matter. The seller, on the other hand, comes under a similar engagement, to give the buyer any difference in price should there be a rise in the value of such stock.

There are eight account days in the year when time bargains between members are adjusted. They are usually Thursday or Friday. The Saturday is never fixed on; first, because that is not a transfer day at the Bank, and, secondly, because the day immediately following is always settling day, which could not be the case were Saturday the account day. In the Foreign Stock Exchange, the settling day occurs twice in each month.

I have before mentioned, that when a member fails to fulfil his engagements his name is placarded on a black board as a “defaulter.”

This is looked on as a rather genteel name: the most common designation of such a person among the members is, that he is a "lame duck."

Every one who has read the city intelligence of any newspaper must have often encountered the words "Bulls" and "Bears." The "Bulls" are those who have to take more stock than they can pay for, and who therefore want to get rid of it; and the "Bears" are those who are engaged to deliver more stock than they can deliver at the price agreed for, with safety to themselves. The reader must also have observed it occasionally stated in the public journals, that great efforts were making in the money market to make the account a "Bull" account, or a "Bear" account, just as the case happens to be. This simply means, that the class of persons represented by either of the above animals were doing all in their power so to influence the market as to make the prices, on settling day, most favorable to themselves. With this view all sorts of rumors are set afloat. The number of fibs hatched and industriously circulated in Capel Court, on such occasions, exceeds all credibility. Had Baron Munchausen ever been on the Stock Exchange, he would have been ashamed of his own inventive powers. Ferdinand Mentez Pinto was but a mere type of some persons in the money market, when they have a sufficient inducement to put their inventive capabilities to the test.

The members of the Stock Exchange consist of three distinct classes. The first class are called jobbers. The jobber is a person who is always found in his place from the opening to the closing of the Stock Exchange, except when he has to cross over to the Bank for transfers: and who is at all times ready to buy or sell stock, for what, in technical language, is called the turn of the market, the meaning of which I will give presently. The jobbers are subdivided into sections. There is the consol jobber, the four per cent. jobber, the long annuity jobber, and the jobber in exchequer bills, India stock, India bonds, &c. With the exception of the consol jobber, all the others, unless in peculiar circumstances, as, for example, when the particular stock is short, do business for ready money. The consol jobber also does business for regular transfer, or in other words, for ready money; but by far the greater part of the business done in consols is for time, and the transaction is consequently called a time bargain. By this is meant a bargain for the price of consols, either at the ensuing account or settling day, or some other day agreed on.

The second class of members are called brokers. These are persons who are employed by parties out of doors to buy or sell a certain amount of stock for them, either in the shape of money or time bargains, as the case may be. The broker so empowered to act goes into the house, and advancing towards the jobber accosts him with "Well, what are they?" meaning, of course, the price of consols. The jobber replies, they are so-and-so, say 90—90 $\frac{1}{2}$ , which means he will give £90 for £100 stock, or he will sell at 90-2-6 for £100 stock. The broker says, "I will take them," or "You shall have them," just as he is instructed to buy or sell. Should, however, the quantity of stock be large, the broker must name the amount. Otherwise, the jobber, not liking perhaps either to sell or buy a large quantity at that particular

time, would decline being "saddled" as it is termed, with so much, and would back out of the bargain with only £1000,—there being a law in the house which protects any jobber or broker from either receiving or disposing of more than that quantity, in all cases where, at the time of making the bargain, the precise amount was not specified by the broker. The broker's business would, without such specification, be thus exposed, and probably the result would be that before he could execute his commission, he would have to submit to a sacrifice of one-eighth or one-fourth per cent.\* The broker, therefore, takes care to name the amount he wishes either to sell or purchase.

The usual rate of remuneration which a broker receives for transacting business for a customer is one-eighth per cent., or half a crown for every £100 of stock which he buys or sells. This, however, is not the commission invariably charged by brokers. In extensive transactions the broker seldom gets more than one-sixteenth per cent. or one-thirty-second on what is called "one side the account."

As soon as a broker has completed his business, whether for time or money, he is expected to hand to his constituent, or "principal," to use the phraseology of the Stock Exchange, a contract containing the price or prices, and name or names of the jobber or jobbers with whom the transaction has been done. By observing this regulation he exempts himself from all liability in case of the failure of the jobbers.

The third class of members of the Stock Exchange are the speculators. These are parties who buy or sell on their own account; one who only "operates" when he conceives the market is in a condition for his doing so to advantage. Most of the transactions on the Stock Exchange may be said to be a species of gambling on a large scale; but the speculator is a gambler in a peculiarly emphatic sense. He who throws the dice is not more so, though there be a difference in the modes of gambling. And, perhaps, of the two modes, that of casting the dice is entitled to the preference. As regards the individual's own feelings, it certainly is so: for the gambler in Crockford's, the Berkeley, or the Cercle, either loses or gains at once, and is thus spared the agonies of suspense; while, in the case of the Stock Exchange gambler, he has to endure all the horrors of suspense—and what horror can be greater, where a man's all perhaps is at stake?—for some weeks at a time. I have heard of speculators in Capel Court whose feelings have undergone such a constant and violent alternation of hope and fear, that they have not enjoyed one hour's regular sleep for fourteen consecutive nights, but have tossed themselves about on their beds as if they had been suffering under severe physical fever.

Defaulters in the case of time bargains cannot be proceeded against by law, the transactions being, as just remarked, illegal. Hence the peculiar stringency of the rules by which the admission and continuance

\*It is not unusual, when a large operation is ordered, for the broker to call one of the leading jobbers aside, and offer him a "turn" of one-fourth or three-eighths per cent., provided he will undertake the whole transaction. In this way the business is done quietly and at the jobber's leisure, according as the market will bear it. If a broker were, by hovering about the market or otherwise, to suffer his object to transpire, the prices would be necessarily driven up or down, and thus he would suffer for his indiscretion.

of members are regulated. Notwithstanding, however, the rules and regulations of the Stock Exchange, desperate characters not unfrequently find their way into it. Many of the most extensive and inveterate speculators have not a farthing in their pocket. They are mere adventurers: they are desperate men and act on desperate principles. Their maxim is, "neck or nothing." If the transaction turns out favorable, good; if not, the parties dealing with them suffer. It is not many months since a defaulter who could not command five pounds in the world, was at one time a purchaser of stock to the amount of nearly £200,000. A common trick among these speculators on the Stock Exchange is, to enter their stock in fictitious names; for if avowedly purchased for themselves, it would necessarily create suspicion and consequently put an end to their opportunities of speculating.

From the observations and statements which have already been made, it will at once be inferred that the Stock Exchange is by no means remarkable for its morality. A member failing and giving up his last farthing to his creditors, is not, by at least a large proportion of the other members, thought so favorably of as he who takes care to make a reserve for himself. While the latter steps at once into business again, and obtains credit on effecting an adjustment of his affairs, the former has to struggle hard before he can get begun anew. A member is sometimes blamed, and his credit often suffers, because he does not make a stand when an account goes against him and he is known to have a large sum to pay. An instance of this occurred some time ago. A person who used to go among the members by a name which I will not mention, and who had been supposed to act on the market for a party connected with a large newspaper establishment,—lost on one account £10,000. He paid the amount without a murmur; but lost his credit from that moment, and never afterwards recovered it; for it was thought the payment of so large a sum must have broken his back, he being, in Stock Exchange phraseology, but, a "little man," that is to say, of but moderate means.

But a still more striking and very interesting illustration of the estimation in which sterling integrity is held among a large proportion of the members, was afforded in the case of the late Mr. L. A. de la Chaumette, a gentleman of foreign extraction. He had previously been in the Manchester trade, but been unfortunate. Being a man much respected, and extensively connected, his friends advised him to go on the Stock Exchange. He adopted their advice, and became a member. He at once established an excellent business as a broker. Not only did he make large sums in the shape of commissions, on the transactions in which he was employed by others, but one of the largest mercantile houses in London having the highest possible opinion of his judgment and integrity, intrusted him with the sole disposal of an immense sum of money belonging to the French refugees, which was in their hands at the time. He contrived to employ this money so advantageously, both to his constituents and to himself, that he acquired a handsome fortune. Before he had been a member three years, he invited his creditors to dine with him on a particular day, at the London Tavern; but concealed from them the particular object he had in view in so

doing. On entering the room, they severally found their own names on the different plates, which were reversed, and on turning them up, each found a cheque for the amount due to him, with interest. The entire sum which Mr. L. A. de la Chaumette paid away on this occasion, and in this manner, was upwards of £30,000. Next day he went into the house as usual; and such was the feeling entertained of his conduct, that many members refused to do a bargain with him to the extent of a single thousand. They looked on his payment of the claims of his former creditors as a foolish affair, and fancied that possibly he might have exhausted his resources, never dreaming that, even if he had, a man of such honorable feeling and upright principle was worthy of credit to any amount. He eventually died worth upwards of £500,000.

Friendship is a thing almost wholly unknown on the Stock Exchange. The instant a man fails, no matter how fair and honest may have been all his transactions, he is deserted by those who professed the greatest attachment to him before. He is, with very few exceptions, cut by them in the streets as soon as his failure is known, though they may have fawned on him like so many spaniels so long as he was supposed to be a man in easy circumstances. In the few instances in which he may be treated with a little outward civility, it will almost invariably be found that it is when they suppose the hapless victim has not been fleeced of his all; but that something more may yet be got by good management. In that case no effort is left untried to extract his last shilling from him. When a man has been unfortunate, and it is thought that something more may still be obtained, the creditors propose, to use the language of the house, "to draw his teeth." If he resist, his name is clapped on the black board, of which I have spoken in a former part of the chapter.\* There are doubtless some honorable exceptions, as before observed, to this mode of treating unfortunate members, but as just stated, they are comparatively few indeed.

The amount of business sometimes transacted in one day at the Stock Exchange is very great. On some occasions, property, including time bargains, to the amount of £10,000,000 has there changed hands in the short space of a few hours. The late Mr. Rothschild is known to have made purchases in one day to the extent of £4,000,000. The influence which that great capitalist exercised over the funds may be said to have been omnipotent. He could cause a rise or a fall, to a certain extent, whenever he pleased. He was a singularly skilful tactician. To those who know anything of the Stock Exchange it cannot be necessary to state, that he never went into it himself. That, indeed, would have defeated his objects. Had he transacted his business in the funds in his own person, everybody must have seen what he was doing, and consequently others, knowing his general good fortune, would have sold out when he sold out, and purchased when he purchased. One great cause of his success was the secrecy in which he contrived to

\*This is done in the hope that the relations of the party will come forward with a sum of money to assist him, which they sometimes do to avoid the disgrace which, through him, they conceive to be entailed on themselves.



shroud all his transactions. He had certain men whom he employed as brokers on ordinary occasions; but whenever it suited his purpose, or when he supposed that by employing them it would be ascertained that he wished to effect a rise or a fall, he took care to commission a new set of brokers to act for him. His mode of doing business, when engaging in large transactions, was this: Supposing he possessed exclusively, which he often did a day or two before it could be generally known, intelligence of some event which had occurred in any part of the continent sufficiently important to cause a rise in the French funds, and through them on the English funds, he would empower the brokers he usually employed to sell out stock, say to the amount of £500,000. The news spread in a moment in Capel Court, that Rothschild was selling out, and a general alarm followed. Every one apprehended he had received intelligence from some foreign part of some important event which would produce a fall in prices. As might, under such circumstances, be expected, all became sellers at once. This of necessity caused the funds, to use the Stock Exchange phraseology, "to tumble down at a fearful rate." Next day, when they had fallen, perhaps, one or two per cent, he would make purchases, say to the amount of £1,500,000; taking care, however to employ a number of brokers whom he was not in the habit of employing, and commissioning each to purchase to a certain extent, and giving all of them strict orders to preserve secrecy in the matter. Each of the persons so employed was, by this means, ignorant of the commission given to others. Had it been known that the purchases were made for him, there would have been as great and sudden a rise in the prices as there had been in the fall, so that he could not purchase to the intended extent on such advantageous terms. On the third day, perhaps, the intelligence which had been expected by the jobbers to be unfavorable, arrives, and instead of being so, turns out to be highly favorable. Prices instantaneously rise again; and possibly they may get one and a half, or even two per cent. higher than they were when he sold out his £500,000. He now sells out at the advanced price the entire £1,500,000 he had purchased at the reduced prices. The gains by such extensive transactions, when so skilfully managed, will be at once seen to be enormous. By the supposed transaction, assuming the rise to be two per cent., the gain would be £35,000. But this is not the greatest gain which the late leviathan of modern capitalists has made by such transactions. He has on more than one occasion made upwards of £100,000 on one account.

Repeated efforts, but always without effect, and generally to the ruin of the party making them, have been made to overthrow the power of Rothschild in the money market. It was clear that the only way in which this could be done, if it was to be done at all, would be by the party attempting it, engaging in transaction of corresponding magnitude. By far the boldest of these attempts was made some years ago by a young gentleman, a Mr. James H——. He made a number of most extensive purchases, and sold out again to a very large amount all in a very short period of time; and so far from imitating the conduct of the rival whose empire on the Stock Exchange he sought to subvert, in the secrecy of his transactions, he deemed it essential to the success of his

schemes, that his operations should be performed as openly as possible. Mr. H—— was the son of a wealthy country banker, and held, at the time of his introduction, money stock in his own name, though it actually was his father's, to the extent of £50,000. The reputation of being so rich invested him at once with great importance in the house. The £50,000, after Mr. H—— had been some time a member, was privately re-transferred to his father, the real owner of it. For some time, and until he became perfectly master of the rules and usages of the house, he acted with great prudence and caution, confining his transactions to small amounts; but he eventually began to astonish "the natives,"—for so the members are often called,—by the boldness of his manœuvres. In a very short time he became the dread of all parties: the Bulls and Bears were anxious to follow him; but, like Rothschild, he evinced a disposition to act independently of every person and every party. About this time consols were as high as 96 or 97. In a few months afterwards symptoms of a coming panic began to manifest themselves; and a well-known writer on money-matters, having at the time, for reasons best known to himself, begun to deal out his fulminations against the Bank of England in an influential newspaper, the unhealthy state of the market was greatly aggravated, though high prices were still maintained. Mr. H—— watched the state of things with great attention; and being satisfied in his own mind that a leader was only wanting to commence and carry on a successful war against Rothschild, he determined himself to become that leader; and it must be admitted that he acquitted himself as an able general. Going into the house one afternoon, he accosted one of the most respectable jobbers thus:

"What are consols?" "Ninety-six and eight," was the answer.

"In £100,000?" continued he. "Yes," said the jobber.

"You have them. £100,000 more?" "I'll take £100,000 more."

"They are your's." "Another £100,000?"

"No; I don't want any more."

On this transaction being finished, the adventurous young gentleman immediately turned round and announced aloud that "£200,000 had been done at 96, and more offered." Then walking backward and forwards "like a tiger in a den," he followed up the bold tactics he had commenced, by offering any part of £1,000,000 at 94. For a great part of this amount he at once found purchasers. But he was not yet content with the extent of his transactions, great as they were; nor would he wait for buyers at 94. He offered them, viz. consols, at 93, at 92, and eventually as low as 90, at which price they left off that day. Next day he renewed his exertions to depress the market, and he succeeded to the utmost of his wishes; for consols did not stop in their descent till they reached 74. As was to be expected, contemporaneous with this sudden and extraordinary fall in the price of consols, there was a run on the Bank of England which almost exhausted it of its specie. He then purchased to so large an extent, that when a re-action took place, he found that his gains exceeded £100,000.

It can scarcely be necessary to say that all eyes were fixed with amazement on the boldness of the young gentleman's operations. Many fancied they saw in those operations the dynasty of Rothschild tottering

to its fall. With what feelings the "Jew" himself regarded the adventurous conduct of his new and unexpected rival, no one had an opportunity of knowing; for in nothing was Rothschild more remarkable than in the reserve he maintained on all matters relating to the money market. The rivalry of Mr. H—— was, however, of short duration: he very soon fell a victim to an enterprise which, both in conception and execution evinced much more of the quality of boldness than of judgment. In about two years after the above extensive "operation," he attempted another on a scale of corresponding magnitude; but in this case Rothschild, anticipating the tactics he would adopt, laid a trap for him into which he fell and became a ruined man. He was declared a defaulter, and his name stuck up on the black board. It was only now that the discovery was made, that the £50,000 money stock supposed to be his own, was in reality his father's and that it had been re-transferred in his name. A deputation from the committee waited upon Mr. H—— immediately after his failure, at his own house in the neighborhood of Regent's Park, when one of the most rapacious of the number suggested a sale of his furniture, and a mortgage of an annuity settled on his wife. He received the suggestion with the utmost indignation, and ringing the bell for his servant, desired him to show the deputation down stairs, adding that he would be—I shall not say what—before he would pay a sixpence after the treatment he had met with from them. "As for you, you vagabond, 'My son Jack,'\* who have had the audacity to make such a proposal to me; as for you, sir, if you don't make haste out of the room I'll pitch you out of the window." It is scarcely necessary to say that "My son Jack" was the first who reached the bottom of the stairs.

But though no person during the last twelve or fifteen years of Rothschild's life was ever able for any length of time to compete with him in the money market, he on several occasions was, in single transactions, outwitted by the superior tactics of others. I will give one instance. In that instance Rothschild had to contend not only with a man of more than ordinary ability, but one in the soundness of whose judgment all who were acquainted intimately with him reposed the most implicit reliance. Hence they, and especially his monied connexions, were ready to follow him in any operation. The gentleman to whom I allude was then and is now the head of one of the largest private banking establishments in town. Abraham Montefiore, Rothschild's brother-in-law, was the principal broker to the great capitalist, and in that capacity was commissioned by the latter to negotiate with Mr. —— a loan of £1,500,000. The security offered by Rothschild was a proportionate amount of stock in consols, which were at that time 84. This stock was of course to be transferred to the name of the party advancing the money,—Rothschild's object being to raise the price of consols by carrying so large a quantity out of the market. The money was lent and the conditions of the loan were these—that the interest on the sum advanced should be at the rate of  $4\frac{1}{2}$  per cent., and that if the price of con-

\* The designation by which one of the members always went, his father having been accustomed to speak of him as his "son Jack."



sols should chance to go down to 74, Mr. — should have the right of claiming the stock at 70. The Jew, no doubt, laughed at what he conceived his own commercial dexterity in the transaction; but ere long he had abundant reason to laugh on the wrong side of his mouth; for no sooner was the stock pawned in the hand of the banker, than the latter sold it, along with an immensely large sum which had been previously standing in his name, amounting altogether to little short of £3,000,000. But even this was not all: Mr. — also held powers of attorney from several of the leading Scotch and English banks, as well as from various private individuals who had large property in the funds, to sell stock on their account. On these powers of attorney he acted, and at the same time advised his friends to follow his example. They at once did so; and the consequence was that the aggregate amount of stock sold by himself and his friends conjointly, exceeded £10,000,000. So unusual an extent of sales, all effected in the shortest possible time, necessarily drove down the prices. In an incredibly short time they fell to 74,—immediately on which Mr. — claimed of Rothschild his stock at 70. The Jew could not refuse; it was in the bond. This climax being reached, the banker bought in again all the stock he had previously sold out, and advised his friends to re-purchase also. They did so, and the result was that in a few weeks consols reached 84 again, their original price, and from that to 86. Rothschild's losses were very great by this transaction; but they were by no means equal to the banker's gains which could not have been less than £300,000 or £400,000.

Since Rothschild's death no one can be said to have taken his place on the Stock Exchange. There are several gentlemen who engage in very large transactions, but they can scarcely be said to approximate in amount to his. Neither do they stand out, as capitalists, with any very great pre-eminence. Rothschild's sons are, of course, severally rich even compared with those who are regarded among the most affluent; but, then compared with him, they can only be considered poor, his wealth being divided amongst them. But independently of this, they have neither the spirit of enterprise nor the financial knowledge or skill of their late father.

It is to the transactions of speculators in the funds, such as those I have described in the case of Rothschild, and to others of a smaller amount by less affluent parties, and not to any purchases effected or sales made by the public, that the sudden rise or fall of consols is to be ascribed. Were the funds left to the operation of the public alone, there would be scarcely any fluctuation in them at all.

The late Abraham Goldsmid, who unfortunately shot himself a good many years ago, used to carry on business to an immense extent on the Stock Exchange. Perhaps the amount of his transactions were never exceeded by that of any man excepting Rothschild himself. He always did his business on the most liberal and honorable terms, and was greatly respected by all who knew him; but his good qualities did not prevent his becoming the victim to a league. I will not call it a conspiracy, entered into by a party against him,—which party some persons have conjectured included some of his own relations, since dead. At the period alluded to, which is more than a quarter of a century since,

a practice obtained as it did for some years afterwards, of allowing the King's money as it is called, to accumulate in the hands of the different collectors and receivers throughout the kingdom, till the end of the half year or quarter, when they had to account for it, sometimes in the funds, but more frequently in what are called floating securities, viz. Exchequer Bills and India Bonds. Goldsmid had on one occasion taken in conjunction with a well-known banking establishment, a large government loan. The party who had combined against poor Goldsmid contrived to produce from these collectors and receivers of the revenue and others so large an amount of these floating securities, that the omnium fell to 18 discount. The results as far as regarded Goldsmid, were in the first instance his failure, and eventually his death by his own hand. The banking house was affected to such an extent by its share of the loss, as to occasion for a time doubts of its solvency. The party referred to took care to purchase largely of omnium when at its greatest discount. On the following day it went up to 3 premium, which was the greatest fluctuation ever known in so short a time. The party were supposed to have cleared among them at least £2,000,000 by the transaction.

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It can scarcely be necessary to say, that during the time of the war the fluctuations of the funds were much greater than they have been since the peace. The news of every succeeding battle sent them up, or drove them down, according as the result of such battle was supposed likely to affect this country. As might have been expected, all sorts of rumors as to new battles were got up to serve the purposes of individuals. Many a battle was fought and many a victory gained and lost on the Stock Exchange, which were never heard of anywhere else. So accustomed, indeed, had the members become to false intelligence in one or two of the leading papers given with all the solemnity and positiveness of truth, that they frequently found themselves in the predicament of the persons who had been so often groundlessly alarmed by the cry of 'Wolf' from the shepherd's boy, that they did not believe it when true. On one occasion a blunt honest member, who had an immense stake depending on the aspect of the war on the continent, having heard a rumor that a certain battle had taken place, but not knowing whether to credit it or not, determined on waiting personally on Lord Castlereagh, then foreign minister, with the view of endeavoring to get at the truth. He sent up his name to his lordship, with a note stating the liberty he had taken in consequence of the amount he had at stake, and begging as a favor to be informed whether the news of the battle in question was true. The noble lord desired the gentleman to be sent up stairs. He was shown into his lordship's room. "Well, sir," said his lordship, "I am happy to inform you that it is perfectly true this great battle has been fought, and that the British troops have been again victorious."

"I am exceedingly obliged to your lordship for your kindness in giving me the information: I am a ruined man," said the Stock Exchange speculator, making a low bow and withdrawing. He had calculated on

the triumph, at the next conflict, of Napoleon's army. He had speculated accordingly; a contrary issue at once rendered him a beggar.

The members of the Stock Exchange are for the most part exceedingly ignorant of all other matters except those which immediately bear on their own business. This may be accounted for, partly from the fact, of many of them being of an humble origin, and but very imperfectly educated; and partly from the fact, that when they have once entered the place their minds, as in the case of the gamblers at the west end, become so engrossed with the everlasting subject of "stock," that they not only never talk but scarcely ever think of anything else. As for *doing*, again, the only actions a great many of them are ever known to perform are those of smoking tobacco and playing at billiards at night. There are some most inveterate smokers among them: the cigar is scarcely ever out of their mouths. It is an article which must cost many of them a very handsome something in the course of a year.

I have said that there are some excellent men on the Stock Exchange who would be incapable of anything oppressive or vindictive towards a fallen member. I could mention the names of persons in the house who are an honor to their species. The late Mr. Goldsmid had many admirable moral qualities about him. For many years he had been accustomed to dine in a plain and simple way, at the London Tavern, or City of London Tavern—I am not certain which—when he was usually served by the same waiter. The waiter had always been remarkable for his civility and attention. One day Mr. Goldsmid observed that he was very inattentive and seemingly absent-minded. "What's the matter with you to-day, John?" inquired Mr. Goldsmid, just as he was about to quit the house.

"Nothing sir; that is to say, sir, nothing very particular," observed John, in faltering accents.

Mr. Goldsmid was strengthened in his conviction by the waiter's confused manner of speaking, that something particular *was* the matter.

"Come, come, John, do tell me what makes you so absent-minded and unhappy like?" said Mr. Goldsmid.

"Well, Mr. Goldsmid, since you are so pressing in your kind inquiries, I am sorry to say that about half an hour ago I was arrested for debt, and must go to prison this evening if I cannot pay the money."

"Arrested for debt, John! What induces you to get into debt?"

"Why, sir, to tell the truth, I am not able to support my wife and five children with what I can make in this house," said the waiter, in very touching tones.

"And what may be the amount for which you are arrested?"

"I am ashamed to mention it, sir."

"Let me hear it," said Mr. Goldsmid.

"Why, sir, it's for £55," stammered out the waiter, in broken accents, looking steadfastly on the floor as if ashamed to hold up his head.

"Bring me a pen and ink," said Mr. Goldsmid. A pen and ink was immediately brought, when Mr. Goldsmid drew from his pocket his check-book, and having written a check for £100, put it into the poor fellow's hands, saying, "Here, go with that, John, to my banker's, and

you will get as much for it as will pay your debt, and be a few pounds to your family beside."

I may mention another short anecdote illustrative of the excellence of Mr. Goldsmid's heart. It must make every one regret the unhappy end to which he came. Being on one occasion travelling in Somersetshire, his carriage was violently upset, owing to the horses taking fright, and he himself seriously hurt by the accident. He was taken to the house of a poor curate, at no great distance from the place at which the disaster occurred. There he was confined to his bed, from the injuries he had received, for a fortnight, during which time the curate was most marked and unremitting in his attentions. On recovering so far as to be able to undertake a journey to London, he asked the curate how much he was indebted to him for the very great kindness he had received at his hand. The curate begged him not to mention such a thing; the idea of remuneration in such a case never entered his mind. Mr. Goldsmid, thinking after this that to press money on the good Samaritan's acceptance, would only hurt his feelings—happy were it for the church were all her clergy like him—quitted his humble and hospitable abode, assuring him that his humanity would not be forgotten. In six weeks afterwards the poor curate received a letter from Mr. Goldsmid, telling him that he had become the contractor for a large government loan, and that he had put down his (the curate's) name for £20,000 omnium, which he hoped would turn out for his advantage. The simple minded curate, who knew nothing more of the funds or of omnium, than he did of the Stock Exchange of the Georgium Sidus, if there be such a place in that planet,—fancied that as his name had been put down for a £20,000 slice of the loan, it would be indispensable that that amount of money should be forthcoming. He immediately wrote back to Mr. Goldsmid, thanking him for the kindness of his intentions, but adding, that instead of being able to raise £20,000 he could not command £20 in the world. Mr. Goldsmid answered the virtuous curate's letter by the post of next day, saying, that the £20,000 could be dispensed with, and enclosing him £1,500 as the amount of profit which he had received for the £20,000 omnium, on selling it out,—the premium having risen since he had put down the curate's name, to an extent which cleared that sum.

Most of the leading men in the Stock Exchange go by nick-names. The way in which these names sometimes originate is curious. "My son Jack," a member already referred to, is a cognomen which dates its origin from the circumstance of the party's father having always called him by that name. Another member is dubbed "The Lady's Broker," in consequence of having been employed, on one occasion, by Mrs. R., the lady of a deceased capitalist, in a speculation into which she entered on her own account, and without the knowledge of her husband. The speculation turned out so unfavorably that neither the lady nor her broker could discharge their obligations; and hence, as in other cases where the broker cannot meet the engagements he has entered into for any other party, he must, to save himself from the black board, give up the name of his principal,—the broker was compelled to divulge the name of the lady speculator. From that day to this he has gone under

the name of "The Lady's Broker." The husband, knowing he could not be compelled to pay for the illegal gambling of his wife, refused to advance a farthing in liquidation of her debts. Every one, however, is not so frightened at the idea of having his name clapped on the black board as was the member in question.

It is worthy of observation, that with the single exception of the late Mr. David Ricardo, the celebrated political economist, there are no names, so far as I am aware, of any literary distinction connected with the Stock Exchange. I know several members who have written pamphlets; but they have been on matters connected with their own business. Whether this absence of literary reputation on the Stock Exchange is to be ascribed to the engrossing nature of the transactions in which the members are engaged, is a point which I cannot undertake positively to determine, though I incline to the opinion that it is so in a great measure, if not wholly. As I have mentioned the name of Mr. Ricardo, I may observe that he amassed his immense fortune by a scrupulous attention to what he called his own three golden rules, the observance of which he used to press on his private friends. These were, "Never refuse an option when you can get it,"—"Cut short your losses,"—"Let your profits run on." By cutting short one's losses, Mr. Ricardo meant, that when a member had made a purchase of stock, and prices were falling, he ought to resell immediately. And by letting one's profits run on he meant, that when a member possessed stock, and prices were raising, he ought not to sell until prices had reached their highest, and were beginning again to fall. These are, indeed, golden rules, and may be applied with advantage to innumerable other transactions than those connected with the Stock Exchange.

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## PUBLIC ANNUITIES.

From the London Correspondent of the New York Courier and Enquirer.

The Americans have now a NATIONAL DEBT, and notwithstanding its undeniable disadvantages, it is not necessary to lose sight of the benefits which may also be derived from it. The science of Chemistry has taught us that nutriment may be obtained from bones; and that the very earth may be made to sustain life by suction; the science of Finance proves that we may extract benefits from our indebtedness, security from an incumbrance, and positive happiness from what is regarded by every one as a great national evil.

By authority conferred upon the national debt office of Great Britain, any applicant by purchasing an amount of consols, and transferring them to the Commissioners for the reduction of the National debt, may obtain in lieu thereof an annuity proportionate to the amount of stock given up, and the price of the stock in open market on the day of the negotiation.



For instance, suppose Peter Cautious to transfer to the commissioners the sum of one thousand pounds consols, which used to produce to his wife the sum of thirty pounds a year, and suppose the price to be 86, and her age next birthday to be sixty, the commissioners would give her an annuity of £71 10 0 per annum, until such a time as nature called her from this world. But suppose Peter to want it for himself, for the sinking of the same amount, and his age being the same as his wife's, and the price on the day being equal, the annuity would be £82 10 0; for the tables of mortality show that the life of a man is not so good as that of a woman, and therefore a higher rate of interest can be paid to the male than to the female applicant. As a short and simple method of ascertaining, in this country, the probable duration of any man's life, it is only requisite to deduct his actual age from 80 and divide the remainder by two; the product of such division being the estimated duration of his life. Thus Peter was 60, which deducted from 80 gives a remainder of 20 years, and the half of that (or 10 years) is what he may, commercially speaking, reckon on enjoying.

Among the objections to the system of government annuities is the popular supposition that "annuitants never die." This is a mistake: they do die frequently; but often not until long after the unfortunate payers of the annuities think they ought to be ashamed of being seen out of their graves.

Beyond the age of 80 this government will not grant an annuity.

At that age an old lady possessing five hundred pounds a year, will probably live on for another twenty years. Having every comfort she runs no risks; the day must be of the balmiest before she opens her window; the dirty earth must be well "aired" and half "turned to dry" in the sun, before she ventures abroad; her great horror is an open door or a damp newspaper; (the former gives her the rheumatics in perspective and the latter a fit of sneezing which ends in cold;) her fires are laid ready for lighting in every room in the house, and a gust of wind, or a rain drop on the window, immediately induces her to have the fires lighted. She orders her carriage for a drive, and then countermands it if the weather is not propitious; in short, you may "catch a weasel asleep," perhaps—but never a lady-annuitant failing to look after her health.

Our secretary of the treasury might with propriety consider the feasibility of such a plan in the United States, and ascertain how far it could be brought into practice beneficially. If the British government can afford to give for money an annuity, based on the hypothesis that money is worth in England, on an average, 3 per cent. per annum, it follows, that in America, where money is worth twice as much, the treasury, instead of borrowing at six per cent. can *purchase* money by giving an annuity of double the amount which is paid by the English Government. In fact, the system of granting annuities, is simply the absolute *purchasing* of cash instead of *borrowing* it; the purchase money being payable by annual instalments.

Benefits to the nation are evidently conferred by this method, or else in these days of calculation of profit and loss, the present tables of life annuities would certainly be called in and others issued in their place.

The fact is, that the annuitants feel so much comfort in the knowledge that their incomes are guaranteed by the joint-endorsement of the entire nation, that they are willing to submit to a bad bargain, for the sake of perfect security. So great has been the demand for this sort of investment, that at this time one twenty-eight part of the interest on the national debt, is payable in this shape; or say £963,000 is paid annually out of the Exchequer in the shape of annuities terminable with the lives of the recipients.

Another class of annuities is formed of those which are terminated at certain dates, and are termed "long annuities;" and such they might have been at the time of creation, but are short enough now, as the longest of them expires previous to the years 1860 and 1867. Of this class there are recipients to the amount £1,860,000, annually; and in the year 1867 the minister of the day may remit taxes to that amount or add it to the sinking fund. As the total annual charge of the national debt (including the expense of working its machinery) is £27,702,880, it thus follows that the foregoing amount is a very large slice of it. Included in the annual charge is a sum of £933,585, for other annuities granted for a specific number of years. On the whole, it appears that with the deaths of the elder portion of this generation, there will expire annuities to the extent of £3,800,000; and when we talk of our own nation struggling under an increase of national debt, it will be well if we look to the facility which this system affords for honestly getting rid of a portion of it.

One very excellent theory has been broached in the States, viz: that a generation of people who have been contracting a public debt, are bound to look to its repayment by *themselves*. By converting a portion of it into annuities, this very question is positively met, and the nation and the creditor are quits at the same moment.

Taking the price of consols at 86 per cent. that sum of money handed to the commissioners (or else £100 consols) will purchase an annuity on the following ages of the annexed account:

|                              | MALE.   | FEMALE. |
|------------------------------|---------|---------|
| At 15 years of age . . . . . | £4 7 0  | £4 1 10 |
| 25 do. do. . . . .           | 4 13 0  | 4 6 6   |
| 35 do. do. . . . .           | 5 0 8   | 4 13 7  |
| 45 do. do. . . . .           | 5 15 10 | 5 4 3   |
| 55 do. do. . . . .           | 7 5 7   | 6 5 5   |
| 65 do. do. . . . .           | 9 16 2  | 8 8 4   |
| 75 do. do. . . . .           | 14 16 8 | 12 16 9 |
| 80 do. do. . . . .           | 20 15 9 | 16 4 1  |

Or, supposing the same, £86, to be converted into an annual payment for a fixed and definite number of years, say for 10 years, then £10 2s. 3d. per annum would be given instead of the usual annual payment of 3 per cent. on the consols; or, for 20 years £5 18s. 8d.; do. 30, £4 12s.; do. 40, £3 19s. 5d.; do. 50, £3 12s. 5d.; do. 60, £3 8s. 3d.; do. 70, £3 5s. 7d.; do. 80, £3 3s. 9d.; do. 90, £3 2s. 7d.; do. 100, £3 1s. 9d.; so that when consols are at 86 it does not matter whether 3 per cent is still paid on them, or an annuity of £3 1s. 9d. for 100 years; the odd one shilling and nine pence being equivalent to the entire capital of £86 if paid regularly for a century.

London, July, 1848.

ANGLO-KNICKERBOCKER.

## AMERICAN GENIUS IN ENGLAND.

*Its Trials and Triumphs.*

From Hunt's Merchants' Magazine for November, 1848.

Those who have read the narrative of the sufferings of ragged and hungry Genius, as told by the sufferers themselves in Johnson's *Life of Savage* and in Goldsmith's *Vicar of Wakefield*, will listen to the following letter, addressed to a distinguished gentleman in this country, a chapter of autobiography, with like interest; for, like those narratives, it not only describes the trials, but it is written, also, with the energetic pen of Genius.

The writer is Mr. J. R. Remington, a young man, a Virginian by birth. After residing for a while in Alabama, a few years since he went to Washington, and exhibited there the models and drawings of several ingenious and (as they have since proved) valuable mechanical inventions of his own. At Washington he made little headway. One of his inventions was a bridge, constructed on a novel principle, or rather a principle newly applied, and by which bridges of timber of great length can be thrown across rivers and wide railroad cuts without intermediate support. People looked and admired; but somehow, although they saw much that was strikingly original, they could not see how the contrivances were to be made practically useful. Fulton's first steamboat drew crowds of such admirers round it when it was on the stocks.

Mr. Remington was not discouraged. We are sometimes apt to look upon the mechanical and mathematical turn of mind as naturally dry, crabbed, and cold. Yet there can be no doubt (and a multitude of brilliant examples of late years attest the fact) that the great mechanical inventor is borne up by as much of the "ardor of confident genius," the "evidence of things not seen," and feels as sensibly "the substance of things hoped for" as the great poet, or any of those whom we are more apt to class among geniuses of more exalted mood. The source of the mistake seems to be the very excess of imagination in him, and the lack of it in us; while we, having eyes, see not the end, but the means only, he is looking at the end; while we think of the dull machinery and the uncouth figures with which he works, his thoughts are running forwards and soaring upwards to results worked out complete!

Mr. Remington went to England, arriving in London early in January, 1847. He went, to use his striking language, in "search of a man;" like the old philosopher, he sought but for one mind capable of sympathetic appreciation. He carried with him his plans, a teeming brain, a letter of introduction, and an empty purse.

The story of Mr. Remington's success has been told by the lips of others, as was most meet; we leave it to himself to describe his struggles and probation. His letter would be marred by any attempt on our part to add or amplify.



*Stafford, Staffordshire, England, August 15, 1848.*

MY DEAR SIR:—I should have written sooner, but that I had nothing pleasant to say. I reached London on the 1st of January, 1847, without money or friends, which was just the thing I desired when I left America, and just the thing, I assure you, I will never desire again. I commenced operations at once, on the supposition that, in this overgrown city, I would at least enlist one man. But Englishmen are not Americans. An Englishman will advance any amount on an absolute certainty, but not one penny where there is the slightest risk, if he get the whole world by it. I spent the first five months looking for this man with an unparalleled perseverance and industry, living for less than three pence per day. I am convinced that few persons in London know so much of that incomprehensibly large city as myself. But, alas! my wardrobe was gone to supply me with wretchedly baked corn bread, on which I lived entirely. I slept on straw, for which I paid a half penny per night. I became ragged and filthy, and could no longer go among men of business. Up to this time my spirits never sunk, nor did they then; but my sufferings were great. My limbs distorted with rheumatism, induced by cold and exposure—my face and head swelled to a most unnatural size with cold and toothache, and those who slept in the same horrid den as myself were wretched street beggars, the very cleanest of them literally alive with all manner of creeping things. But I was *no* beggar. I never begged, nor ever asked a favor of any man since I came to England. Ask George Bancroft, whom I called upon two or three times, if ever I asked the slightest favor, or even presumed upon the letter you gave me to him. I did write him a note, asking him to come and witness the triumph of opening the bridge at the Gardens, and delivered the note at his own house myself; and although Prince Albert came, I never got even a reply to my note. If Bancroft had come, and been the man to have only recognized me in my rags as I was, it would have saved me much subsequent suffering. I will not believe that Bancroft ever saw my note, for his deportment to me was ever kind.

The succeeding three months after the first five I will not detail, up to the time I commenced to build the bridge. I will not harrow up my feelings to write, nor pain your kind heart to read the incidents of those ninety days. My head turned grey, and I must have died but for the Jews, who did give me one shilling down for my acknowledgment for £10 on demand. Those wicked robberies have amounted to several hundred pounds, every penny of which I have had to pay subsequently; for, since my success at Stafford, not a man in England who can read, but knows my address. It cost me £10 to obtain the shilling with which I paid my admittance into the Royal Zoological Gardens, where I succeeded, after much mortification, in getting the ghost of a model made of the bridge. The model, although a bad one, astonished everybody. Every engineer of celebrity in London was called in to decide whether it was practicable to throw it across the lake. Four or five of them, at the final decision, declared that the model before them was passing strange, but that it could not be carried to a much greater

length than the length of the model. This was the point of *life or death* with me. I was standing amidst men of the supposed greatest talent as civil engineers that the world could produce, and the point decided against me! This one time alone were my whole energies ever aroused. I never talked before—I was haggard and faint for want of food—my spirits sunk in sorrow in view of my mournful prospects—clothes I had none—yet, standing over this model, did I battle with those men. Every word I uttered came from my inmost soul, and was big with truth—every argument carried conviction. The effect on those men was like magic—indeed, they must have been devils not to have believed under the circumstances. I *succeeded*. My agreement with the proprietor was, that I should superintend the construction of the bridge without any pay whatever: but during the time of the building I might sleep in the Gardens, and, if the bridge should succeed, it should be called “Remington’s Bridge.” I lodged in an old *lion’s cage*, not strong enough for a lion, but, by putting some straw on the floor, held me very well, and this indeed was a greater luxury than I had for many months. The carpenters that worked on the bridge sometimes gave me part of their dinner. On this I lived, and was comparatively happy. It was a little novel, however, to see a man in rags directing gentlemanly looking head carpenters. The bridge triumphed, and the cost was £8, and was the greatest hit ever made in London. The money made by it is astonishingly great, thousands and tens of thousands crossing it, paying toll, besides being the great attraction to the Gardens. Not a publication in London but what has written largely upon it. Although I have never received a penny, and never will, for building the bridge, I have no fault to find with Mr. Tyler, the proprietor, for he has done all fully that he promised to do—that was, to call it “Remington’s Bridge.” The largest wood-cut perhaps ever made in the world is made of the bridge. Every letter of my name is nearly as large as myself. The bridge to this day is the prominent curiosity of the Gardens. You can’t open a paper but you may find “Remington’s Bridge.” Soon after it was built, I have frequently seen hundreds of men looking at the large picture of the bridge at the corners of the streets and envying Remington, when I have stood unknown in the crowd, literally starving. However, the great success of the bridge gave me some credit with a tailor. I got a suit of clothes and some shirts—a clean shirt. Any shirt was great, but a clean shirt—O, God, what a luxury! Thousands of cards were left for me at the Gardens, and men came to see the bridge from all parts of the kingdom. But with all my due bills in the hands of the hell-born Jews, of course I had to slope, and came down to Stafford. I first built the mill, which is the most popular patent ever taken in England. The coffee pot, and many other small patents, take exceedingly well. The drainage of Tixall Meadows is the greatest triumph I have yet had in England. The carriage bridge for Earl Talbot is a most majestic and wonderfully beautiful thing. Dukes, marquises, earls, lords, &c., and their ladies, are coming to see it from all parts. I have now more orders for bridges from the aristocracy than I can execute in ten years, if I would do them. Indeed, I have been so much among the aristocracy of late, that what with high living, being so

sudden a transition from starving, I have been compelled to go through a course of medicine, and am just now convalescent. Of course, any thing once built precludes the possibility of taking a patent in England, but its merits and value are beyond all calculation. A permanent, beautiful, and steady bridge may be thrown across a river half a mile wide, out of the reach of floods, and without any thing touching the water, at the most inconsiderable expense. The American patent is well secured at home I know. I shall continue to build a few more bridges of larger and larger spans, and one of them a railroad bridge, in order that I may perfect myself in them so as to commence fair when I reach America. I have a great many more accounts of my exploits since I came to Stafford, but must defer sending them until next time. I beg you will write me, for now, since a correspondence is opened, I shall be able to tell you something about England. I know it well. I have dined with earls, and from that down—down—down—down to where the knives, forks, and plates are chained to the table for fear they should be stolen. I am, my dear sir, your obedient servant,

J. R. REMINGTON.

The bridge erected in the Surrey Gardens was described in the newspapers of the day with some minuteness. The London *Morning Advertiser* of September 7, 1847, speaks of it as follows:—

REMINGTON'S AERIAL BRIDGE.—This very wonderful and highly ingenious structure, the model of which was described in the *Morning Advertiser* of Thursday last, was yesterday thrown open to the visitors at the Surrey Zoological Gardens, large numbers of whom repeatedly crossed and re-crossed it, and expressed a general astonishment at the strength of a fabric composed of such slender materials. The inventor of this bridge is Mr. Remington, of Alabama, a gentleman who has perfected several contrivances of great utility in various departments of art, and who, in the present instance, has demonstrated the extent to which the economy of materials may be carried even in the greatest works. At the first view, Mr. Remington's bridge would impress the spectator with the idea that it was utterly inadequate to bear the weight of a solitary passenger; and after he had undeceived himself upon its capabilities in that respect, he will be completely at a loss to account for the prodigious strength which it exerts. On consideration, however, of the peculiarities of its construction, the difficulty will disappear, and the advantages of its application in a variety of circumstances be established. The chief portions of the fabric are the abutments, or wooden frames from which the bridge is suspended, or rather, on which it rests. They are formed of a simple frame work of die-square timber, about twelve feet long, and sunk five feet in the ground. The timbers of each abutment are made to rake, or incline, at an angle of about seventy degrees from the river, for the purpose of better re-acting against the tension of the bridge when loaded, and are strongly connected by cross scantlings. On the summit of each abutment is a rectangular frame, rising slightly towards the water way, and carrying two transverse scantlings, six feet apart. The four laths, or stringers, which form the basis of the footway, are laid upon these scantlings, to which they are keyed,

and which give to the bridge the peculiar curve, on which its efficiency partly depends. But it is chiefly to the mode of forming the stringers that the ingenuity of the arrangement consists, and which, on several accounts, is remarkable. As it would be difficult, or frequently impossible, to procure pieces of wood of the required size to connect the abutments, recourse must be had to the process of scarfing, by the adoption of which, in this instance, stringers of 83 feet in length have been formed by Mr. Remington. They have been made in five scarfs, united by glue made for the purpose by Mr. J. Lowe, the head carpenter of the Surrey Gardens, by whom the structure was made and put together, and possess throughout their length the longitudinal strength of fibre due to their thickness at each point. They vary considerably in their section, as it is taken from the centre, being three inches and three-quarters at each end, and only one inch square in the centre. These singularly small dimensions have nevertheless been found to carry several heavy loads, with which the efficiency of the structure has been tested. Transverse bars are tacked upon the stringers, at the interval of an inch or two, and with the addition of a rope on each side to serve as a rail, the bridge is complete. To understand how it happens that a combination of materials, apparently so frail, has carried sixteen men each bearing timber, and that, as we are assured, and make no doubt of the statement, it is capable of bearing five hundred men, at the same time, it must be understood, that the principal elements of the footway, viz: the stringers, are formed and arranged according to the known principles of a science of comparatively modern creation, embracing the facts relating to the strength of materials. The principle upon which the construction proceeds may be thus briefly explained:—a slender prismatic beam, though requiring great force to tear it longitudinally, would nevertheless easily give way to a transverse force very much smaller. If suspended by its extremities, and the force made to act at the centre, the rod would snap in the centre; but if one of the points of suspension were shifted, then it would snap near the other extremity. This circumstance is applied to the purpose of a permanent footway by the position of the scantlings, or fulcra, on which the stringers rest, and the operation of which is to remove the tendency of the bridge to break in the centre, and throw that liability on the thicker portions, near the abutments, which are fully able to resist the strain.

The stability of the structure may also be referred to another principle, viz: that a beam in a horizontal position, fixed at one end and pressed down at the other, is liable to break off near the fixed end. Here, by the scarfing of the stringers, the central scarf unites the two portions, into which each stringer may be supposed to be divided, and resists at a long leverage its tendency to snap at the fulcrum. These considerations, though not of a very recondite character, are nevertheless necessary, to reconcile the spectator to what must strike him in the first instance as being nothing short of an anomaly in the laws of physics. But there the bridge is to assert, by its astonishing performances, the truth and easily application of these simple principles, and the economy which it is possible to introduce into fabrics of the kind by their adoption. It only now remains to us to mention that Mr. Reming-

ton has abandoned to public service all interest in this, and in several other useful inventions which he has completed, and to express our hope, that a man who has deserved well of his country, first by his labor in bringing his plans to so grand a result, and then by placing no restriction on their use, will reap in some shape his reward, or at any rate be esteemed an able and bold engineer.

This success led to something more substantial. The inventor was employed by Earl Talbot to erect a bridge 150 feet in length over the river Trent, on his estates in Staffordshire. The "novelty in bridge building" is thus noticed in the *Staffordshire Advertiser* of July 15, 1847:—

**NOVELTY IN BRIDGE BUILDING.**—We have lately described some of the wonderful bridges which a recent trip into North Wales had given us an opportunity of inspecting, including the tubular bridge over the Conway, and the Britannia tubular bridge now in course of erection and designed to carry the Holyhead Railway over the Menai Straits. We have much satisfaction, this week, in bringing under the notice of our readers a work, in our own immediate neighborhood, which, though of much smaller dimensions, is as great a curiosity in its way, and perhaps as vast a triumph of scientific ingenuity and engineering skill as the gigantic structures to which we have alluded. We refer to a wooden bridge which has just been completed over the river Trent, near Ingestre, on an accommodation road of Earl Talbot's, leading from Ingestre to Shirleywich. The architect is Mr. J. R. Remington, a gentleman from Alabama, in the United States of America, of several of whose inventions we have before had occasion to speak.

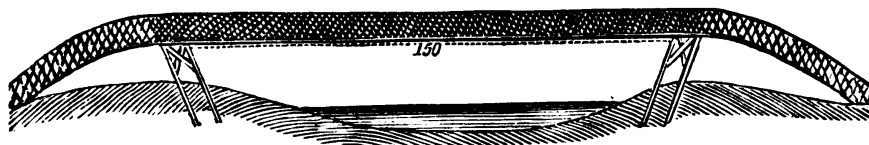
This bridge is remarkable for the length of its span, about 150 feet, and for the diminutive dimensions of the timber used in its construction. It will almost appear incredible to our readers when we state that the six stringers or beams, which support the planks forming the floor of the bridge are but five inches square at each end, and gradually diminish in size, until at the centre they are only two and one-quarter inches, their length being, as already intimated, 150 feet. The stringers are formed of pieces of oak timber, each about 20 or 25 feet long, attached together by the method technically known as 'scarfing.' The abutments consist of oak posts, six inches square, and 15 feet long, 5 feet in the ground, projecting outward at a considerable angle, and firmly clamped together with iron.

Mr. Remington's own language shall be employed in describing the principle on which the bridge is built. 'The great principle sought to be proved in this bridge (says Mr. R.) is that a beam of timber, of whatever size, shape, or length, lying horizontally and resting at each extremity on abutments, is as strong, and will require as much weight on the top of it to break it as it would take to break the same piece when pulled longitudinally in the direction of the fibre.' We apprehend that Mr. Remington's meaning would be better understood if he had said that the principle consists in the longitudinal power of timber being applied in a curvilinear form, by which every portion of the material is brought at once into play, and supports an equal share of the strain. Instead of springing from the abutments as an arched, or resting upon

them as a horizontal bridge, the stringers may be said to hang or be suspended from the piers, thus bringing the principle of the longitudinal bearing into action.

We understand that many practical men, to whom the principle was explained, doubted in the first instance its applicability to a bridge of this size, but they are now willing to admit its complete success. That success, indeed, is demonstrated. The bridge is now in use. We have seen several carriages pass over it, and have ourselves driven across it. There is a vibratory motion when anything passes along the bridge, but there is scarcely any perceptible deflection; and we cannot but express our own conviction of the complete triumph of this novel and most extraordinary system of bridge building.

The stringers curve gracefully upwards from each abutment, and then gradually bend in a curvilinear form downwards to the centre of the bridge; the lowest point being twenty-four inches below the level of the abutments. The curves near to the abutments are designed more for beauty than for strength; but we understand they are indispensable in faulty foundations, which is the case in the present instance. There is a hand-rail on each side of the bridge, attached to the floor by trellis work; and as the hand-rail is of considerable strength, and is fixed to the abutments in the same mode as the stringers, it adds materially to the security and the solidity of the bridge.



The main advantage of this description of bridge is its *cheapness*. The cost of the structure which we are describing is only about £200; whereas a bridge to accomplish the same purpose, built on any other plan, would have required an expenditure of many thousand pounds. Another advantage is, that such a bridge can be erected in situations where any other wooden bridge would be impracticable. A third advantage is, that the span may, as we are informed, be extended ten times as far as any wooden bridge ever yet constructed; and it may be added, that the inventor is of opinion that such bridges will be more durable than those of any other make.

Although many foot bridges have been erected on this principle in America, and one in the Surrey Zoological Gardens, yet this is the first instance, we are informed, of a bridge of this construction being built for carriages. Earl Talbot having satisfied himself of the feasibility of the plan, instructed Mr. Remington to build the bridge; thus affording another proof of that enterprize and zeal for improvement, of which his lordship's estates afford so many conspicuous and successful examples. His lordship and family have frequently used the bridge, and are much gratified with the success which has attended the experiment. Lord Hatherton has likewise inspected it twice, and has, with a heavily laden carriage, passed over it.



Another triumph of the young inventor, another wave to the tide now at flood, at last, was his success in draining a swamp belonging to Earl Talbot by several ingenious contrivances, described (not very clearly) in the following article, also from an English paper:—

THE DRAINAGE OF TIXALL MEADOWS.—Many of our readers are aware that amongst the great improvements which have been effected by Lord Hatherton on his estate at Teddesley, in this county, not the least is in the important branch of draining, which has been so admirably managed that the water drawn from the higher portions of the estate is used to irrigate the lower lands, and is also made doubly serviceable by being employed to turn a water-wheel, the power thus gained being employed in grinding, threshing, &c. The enemy is by these means converted into a friend. A somewhat similar, though perhaps a more singular and ingenious experiment has just been tried on the meadows at Tixall, near this town, on the estate of Earl Talbot. These meadows are about 70 acres in extent, and are in the occupation of Mr. Warner and Mr. Scott. They lie so low, and are so level, that their surface has been covered with water of late years for almost nine months out of the twelve. The evil has lately been increasing to such a degree that this great extent of land was rapidly becoming little better than a gigantic bed of rushes and a useless swamp. Engineers of celebrity had been consulted on the subject, but the plans they proposed for draining these meadows were so expensive and so doubtful as to their probable issue, that all idea of adopting them had been abandoned.

Some months ago, Mr. Remington, of whose clever inventions we have had occasion repeatedly to speak, inspected the *locus in quo*, as the lawyers call it, and said he would undertake to drain it. The work was commenced about five months since; and a shallow ditch on the north side of the meadows has been converted, by means of an embankment, into a small canal, about a mile in length, and a vast quantity of surface-water, is by its means diverted from the meadows, and being carried to a point where the principal drain running down the centre of the land terminates, it is used for the purpose of working a most ingenious engine of Mr. Remington's invention, for pumping the water out of the drain. The engine consists of a circular pan, constructed of sheet iron, four feet four inches in diameter, and ten inches deep. At the bottom of the pan is a throttle-valve, so formed as to close when the water rushes into it; but when the weight of water lowers the pan to a certain point, the valve opens to allow the water to escape. A rod from the centre of the pan is connected by means of pulleys, and a chain, with a pump working in the adjoining drain; and the chain beam is so regulated as to form a balance between the pan and the pump. A small bolt at the end of the canal, which we have described, is raised by means of an iron arm attached to the rod of the pan, every time the pan ascends, and the bolt is further gradually elevated by means of two weights attached to a lever, by which simple contrivance, when the bolt is lifted to a short distance, the weight carries it to the full height, and ensures a discharge of water sufficient to lower the pan. There are several minute contrivances connected with this simple, but effective machinery, which must be seen to be properly understood and appre-

ciated; such, for instance, as the one which opens the valve of the pan on its descent. In order to meet the variable height of the water below, that instrument is made to float. Indeed, one of the great objects accomplished by this method of applying water power is, that no ordinary amount of back water can interrupt the working of the engine. The pump is also of as simple and ingenious construction as the other part of the apparatus. The main cylinder is thirty-two inches in diameter, and the plunger twenty-seven; and, notwithstanding the fact that the plunger does not come in contact, by packing or otherwise, with the sides of the cylinder, the effect of the customary piston of a pump is produced without loss of water. According to Mr. Remington's calculation, twenty-six gallons are raised and discharged by the pump at every stroke. Every one who inspects this beautiful contrivance, must be struck with its admirable adaption to the purpose intended. It has been at work three days. One of its strongest recommendations is, that it is self-acting, and requires no attention. By means of what we have called the canal, a large quantity of water has been removed from the meadows, which are firm and dry compared with their state ten days ago; and the utmost confidence is expressed by both Mr. Warner and Mr. Scott that, by this clever and comparatively inexpensive contrivance, a complete drainage will be effected.

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THE PAWNBROKER'S WINDOW.—There is more philosophy of life to be learned at a pawnbroker's window than in all the libraries in the world. The maxims and dogmas which wise men have chronicled disturb the mind for a moment, as the breeze ruffles the surface of the deep, still stream, and passes away; but there is something in the melancholy grouping of a pawnbroker's window which, like a record of ruin, sinks into the heart. The household goods, the cherished relics, the sacred possessions affection bestowed, or eyes now closed in death had once looked upon as their own, are here as it were profaned: the associations of dear old times are here violated; the family hearth is here outraged; the ties of love, kindred, rank, all that the heart clings to, are broken here. It is a sad picture; for, in spite of all the glittering show, its associations are sombre. There hangs the watch, the old chased repeater, that hung above the head of a dying parent when bestowing his trembling blessing on the poor outcast who parted with it for bread; the widow's wedding-ring is there, the last and dearest of all her possessions; the trinket, the pledge of love of one now dead, the only relic of the heart's fondest memories; silver that graced the holiday feast; the gilt-framed miniature that used to hang over the quiet mantel-shelf; the flute, the favorite of a dead son, surrendered by a starving mother to procure food for her remaining offspring; the locket that held a father's hair; or, gloomier still, the dress, the very covering of the poor is there, waving like the flag of wretchedness and misery. It is a strange, sad sight to those who feel aright. There are more touching memorials to be seen at a pawnbroker's window than in all the monuments in Westminster Abbey.—*Newspaper paragraph.*



## FOREIGN PUBLIC LIBRARIES.

From Chambers' Edinburgh Journal, 1848.

In all ages and countries, a public library is an institution most valuable; but it was particularly so before the introduction of printing, when the price of books rendered it impossible for any but the wealthy to possess them. In early times, such collections shared in the casualties that befell all kinds of property. The fate of the early libraries of Egypt is well known; and also that Rome was enriched with the literary spoils of Greece. But to come down to existing stores, we find that in the middle ages every large church had its library. That of the Vatican, founded by Pope Nicholas in 1450, was destroyed by the Constable Bourbon in the sacking of Rome, but was restored by Pope Sixtus V. in 1588, and has been considerably enriched with the spoils of that of Heidelberg, plundered by Count Tilly in 1622. It now comprises 100,000 printed volumes, and 40,000 manuscripts. The Pope has recently issued an order for the public to have access to one department of it, consisting of 35,000 printed volumes, among which are many rare and some unique works, a great number containing marginal notes by celebrated men. The hall of the Great Council at Venice contains the library of St. Mark, comprising 65,000 volumes, and about 5000 manuscripts. Petrarch 'laid its first foundations,' as he expresses himself in a letter respecting the donation of manuscripts that he sent to Venice, as an acknowledgment for the hospitality he found there during the plague. Only a very small number of his manuscripts are now there; but the learned librarian, Morelli, has shown that the Venitians do not deserve the reproach of having allowed Petrarch's library to remain forgotten in a small room where it perished, for he had only given some few books. Twelve years after this donation, Petrarch left at his death a very precious library; but it was dispersed, as is evident from the manuscripts preserved in the Vatican, the Laurentian, the Ambrosian, and the Bibliothèque du Roi; and not one ever reached Venice. About 80,000 volumes and 900 manuscripts are contained in the beautiful library of Ferrara—one of the most illustrious towns that cherished printing in its infancy. Among the manuscripts are fragments of some cantos of the 'Orlando Furioso,' covered with corrections, showing how Ariosto revised and polished his poem. The manuscript of the 'Scholastica,' one of his comedies, is very little corrected; but this piece was incomplete when he died, and his brother Gabriele finished it. The manuscript of his satires is in good preservation, and curious for the different corrections in the poet's own hand. Another valuable manuscript is the 'Gerusalemme,' corrected by Tasso's own hand during his captivity. The words *Laus Deo* are written by the unfortunate poet at the end of this almost sacred manuscript. There are a great many suppressed passages in it, and several successive pages are sometimes crossed out. The other manuscripts of Tasso include nine letters, dated from the hospital of St. Anne; and

some verses expressive of sorrow, desolation, and anguish, written from his prison to the magnanimous Duke Alfonso. Here is also the manuscript of Guarini's 'Pastor Fido,' exhibiting some few corrections, chiefly grammatical, by Leonardo Salviati. From Valery's 'Travels in Italy' we learn that the ancient choir-book of the Carthusians is now in the library, forming eighteen atlas volumes, covered with brilliant miniatures, the work of Cosmè's school. Equally magnificent is an atlas Bible, apparently by the same artists. One of the chief rarities is the 'Musculorum Humani Corporis Pictura Dissectio,' by the great Ferrarese anatomist of the sixteenth century, Giambattista Canani, who had some faint idea of the circulation of the blood—an undated edition, without imprint, but probably of 1541, illustrated with plates engraved by the celebrated Geronimo Carpi.

Cosmo de Medici founded at Florence, in 1560, one of the most complete libraries in Europe. 'From the intercourse that in his time subsisted between Florence and Constantinople, and the long visits made by the Greek prelates and scholars to Italy, the venerable Cosmo had the best opportunity of obtaining the choicest treasures of ancient learning; and the destruction of Constantinople may be said to have transferred to Italy all that remained of Eastern science. After the death of Cosmo, his son Piero pursued with steady perseverance the same object, and made important additions to the various collections which Cosmo had begun, particularly to that of his own family. But although the ancestors of Lorenzo de Medici laid the foundation of the immense collection of manuscripts, since denominated the Laurentian Library, he may himself claim the honor of having raised the superstructure. If there was any pursuit in which he engaged more ardently, and persevered more diligently than the rest, it was that of enlarging his collection of books and antiquities. "His messengers," writes Niccolo Leoniceo, "are dispersed throughout every part of the earth, for the purpose of collecting books on every science, and he spares no expense in procuring them." He derived great assistance in his efforts from Hieronymo Donato, Ermolao Barbaro, and Paolo Cortesi; but his principal coadjutor was Politiano, to whom he committed the care and arrangement of his collection, and who made excursions at intervals through Italy, to discover and purchase such remains of antiquity as suited the purposes of his patron. Two journeys, undertaken at the instance of Lorenzo, into the east, by Giovanni Lascar, produced a great number of rare and valuable works. On his return from his second expedition, he brought with him about two hundred copies, many of which he had procured from a monastery at Mount Athos; but this treasure did not arrive till after the death of Lorenzo'\*

In France, a hundred and ninety-five towns are provided with excellent public libraries, containing altogether about 3,000,000 volumes, arranged in spacious rooms, with salaried librarians, every accommodation for readers, and every disposition to assist them. These libraries are open to the use of all classes, even the most obscure applicants; no introduction, no patronage is required; the most valuable works, the most precious engravings, are confided to the inspection of any visitor.

\*Roscoe's Life of Lorenzo de Medici.

The five great public libraries of Paris contain altogether about 1,378,000 volumes. The Bibliothèque du Roi, or the King's Library, is the grand national one. It was founded by Francis I. in 1520. Henry II., in 1559, issued an order requiring booksellers to present to the royal library a bound copy of all the works they published. Under the reigns of Francis II., Charles IX., and Henry III., it received but few additions. Henry IV. (1589) caused it to be removed to Paris. In 1595 the collection of Catherine de Medici, consisting of 800 Latin manuscripts, was added; from this time to 1721 the books were removed from one house to another, in Paris, until, in the latter year, they were finally deposited in their present abode, the Hôtel Mazarin, Rue Richelieu. The library consists of upwards of 800,000 printed volumes, 100,000 manuscripts, and 1,000,000 of historical papers. At the public expense it annually receives an addition of about 15,000 volumes and pamphlets. It is calculated that it contains no less than twenty miles of shelf. The public, without distinction of rank or sex, have free access to this extensive library; but it appears that they are privately watched, to detect any who would mutilate or steal the books. M. Van Praet told Sir Henry Ellis that the secret police sit in the rooms; a system of surveillance which would be deemed offensive by the readers in our English libraries.

All the great libraries in Russia originated in the plunder of those of Courland and Poland. In 1704, Peter I. carried off from the town of Mittau 2500 volumes, which were the nucleus of the imperial Library. In 1772, Catherine II. seized the collection of the Princes Radzivil at Nieswiecs, consisting of 17,000 volumes. In 1795, the Zaluski Library, estimated by the Russians themselves at 260,000 printed volumes, and 11,000 manuscripts, was transplanted from Warsaw to St. Petersburg. After the taking of Warsaw in 1831, the university of that city lost 200,000 volumes, the Philomathic Society 20,000, the library of the Council of State 36,000, and that of Prince Czartoryski at Palawy 15,000. If we add to these the treasures of the suppressed convents, we shall find, without exaggeration, a total of 700,000 volumes which have been removed to Russia. The Imperial Library at St. Petersburg is the richest of the Russian libraries, and ranks as third among the collections of Europe. It contains about 442,800 printed volumes, and 14,480 manuscripts. It is very rich in the literature of Central Asia, and contains the works formerly belonging to Baron Schilling; seventy-three manuscripts of Colonel Stuart, relating to all the most important parts of Sanscrit literature; and also forty-three Mongolian and Thibetan works, collected at Pekin; altogether forming the finest collection of Oriental works in the world. This Imperial Library is open to the public three days in the week, but is visited by comparatively few readers, about eight hundred in the course of the year—an extremely small number for a capital whose population is nearly half a million, without counting the garrison or strangers. The cause of the library being so little used by the people is thus explained by Mr. Köhl:—‘On entering, visitors have to pass a whole cordon of police soldiers, the attendants on the library, who strip them of cloaks, and great-coats, which they return after strictly searching the owners at their

departure; and many a one feels so nettled, that he comes no more. On your first visit, you can merely admire the magnitude of the different rooms, the apparent order of the books, and their splendid bindings, attended by a subaltern officer, who relates wonderful things about these literary treasures. To get a book to read in the library itself is all but impossible, though you can point out where it stands. You must first write down the title in a large register, and then, if it is not lent, and can be found, you are supplied with it on the next library day. But it happens sometimes that you may wait for weeks in vain for a single book. The first time, the entry of the book has perhaps been overlooked, and you must write down the title again; next time, you are told it is not to be found, or the librarian to whose department it belongs is not in the way. Should you be prevented from attending on a library day, you lose your claim to the wished-for book, which has meanwhile been removed from the table; so that you are obliged to go on a fourth or fifth day to enter it again, and at last, on a sixth or seventh, to read it. On the days appointed for reading, you may many a time knock in vain, because it may happen to be one of the numberless festivals of the Russian church. The precautions, on the delivery of a book that is to be taken home, are so great, that one would think the library was merely intended for the safe custody of books, and not for introducing them among the people.' Besides this imperial collection, Russia possesses forty-two other public libraries, some of which contain 10,000 volumes.

The first circulating or lending library in Europe was established at Wetzlar, in Prussia, by Winkler, the bookseller and printer, towards the close of the seventeenth century. Lately, in the city of Breslau, the Prince-Archbishop has founded a library for the working classes, to whom the books are lent gratis. The number of volumes contributed to it amounts to nearly 2000.

In 1835, the Gottingen library contained, according to its librarian, Dr. Benecke, 300,000 works. It is fairly entitled to be designated 'the most useful library in the world.' It is open every day in the year to students; and free admission, during certain hours, is allowed to every person who may wish to see or refer to any work. Books are lent out daily, without any pledge or remuneration, but they must be returned in a month. Besides an extensive collection of Spanish, French, Italian, and Oriental works, here is a more complete collection of books on English history and literature than one can readily find in Great Britain. The Gottingen library has likewise the recommendation of a scientific or classed catalogue, and an alphabetical one; both kept in a state of strict completeness by the immediate insertion of the new books.

The library at Munich contains 500,000 volumes, but of which one-fifth at the least are duplicates; and the entire length of its shelves is computed to be fifteen miles and a-half.

Ten years ago, the University library at Vienna was reported to possess 100,000 volumes. The emperor's fine private library, an heirloom in the imperial family, is also accessible to the public; every person being admitted free, without any previous application, and no instances have occurred of books being purloined. Sumptuous and costly

works are not put into the hands of the idle and curious, but only into those of the studious, who do not visit the library for the sole purpose of looking at pictures. This library, which was begun by Maximilian I., contains above 300,000 volumes, all of which are admirably arranged and catalogued. Besides a general alphabetic catalogue, wherein all new acquisitions are immediately inserted, there are ten class catalogues, namely, of 12,000 volumes printed before the year 1500; of 6000 works on music; of all the Bibles; of Hebrew works; of Slavonic books; of Latin manuscripts; of 1000 Oriental manuscripts, besides 800 Chinese and Indian books; of 8000 autographs; of the valuable prints and maps; and a general classified catalogue of scientific books. After seeing what industry and perseverance have accomplished at Vienna, how can we be cajoled by the lazy excuses made for the want of proper catalogues at the British Museum Library!

The Royal Library of Copenhagen contains 463,332 volumes, and about 22,000 manuscripts. After eleven years' labor, a catalogue of all the books, and of one-fourth of the manuscripts, was completed by the conservators, and published at the expense of the government. The catalogue itself extends to 174 volumes.

The Royal Library at Stockholm, founded by Gustavus Vasa, and greatly increased by Gustavus Adolphus, is not so large as is commonly supposed; its printed volumes scarcely amounting to 70,000, while its manuscripts are only 5,000. It would have been much more extensive but for the plunder of Queen Christina; for the ease with which she allowed literary men to take the books away; and for the great fire which, in 1697, destroyed a great portion of it. In this library, the excellent system is adopted of giving to each class of books a distinct color of binding. Among the manuscripts, the most curious is one brought from Prague after the conquest of that city, and called the 'Devil's Bible,' from a fanciful representation of that personage, though it is also known by the name of the 'Codex Giganteus;' and gigantic indeed it must be, to contain not only the Latin Vulgate, but the works of Josephus, some treatises of St. Tsidore, a Chronicle of Bohemia, and several Opuscula.

The most northern library in the world is that of Reikiavik, the capital of Iceland, which nearly forty years ago, contained 3,600 volumes. About the year 1731, Franklin established by subscription the first public library in Pennsylvania. There are now many public libraries in the United States. In most of the principal towns of New York, 'school district libraries' have been established by law, at a cost of about half a million of dollars, and are exempt from all taxes. The public library of Mexico, contained, ten years ago, about 11,000 volumes; but four convents there possess libraries, the total amount of whose volumes is more than 32,000. In many of the Mexican provinces, libraries exist whose contents vary from 1000 to 3000 volumes.

*From Haydn's Dictionary of Dates.*

The first public library of which we have any certain account in history was founded at Athens, by Pisistratus, 544 B. C. The second of any note was founded by Ptolemy Philadelphus, 284 B. C. It was



nearly destroyed when Julius Cæsar set fire to Alexandria, 47 B. C. 400,000 valuable books in MS. are said to have been lost by this catastrophe.—*Blair*. The first private library was the property of Aristotle, 334 B. C.—*Strabo*. The first library at Rome was instituted 167 B. C.; it was brought from Macedonia. The library of Appellicon was sent to Rome by Sylla, from Athens, 86 B. C. This library was enriched by the original manuscripts of Aristotle's works. A library was founded at Constantinople by Constantine the Great, about A. D. 335; it was destroyed in 477. A second library was formed from the remains of the first, at Alexandria, by Ptolemy's successors, consisting of 700,000 volumes, which was totally destroyed by the Saracens, who heated the water of their baths for six months, by burning books instead of wood, by command of Omar, caliph of the Saracens, in 642.—*Nouv. Dict. Hist.* Pope Gregory I. ordered that the library of the Palatine Apollo should be committed to the flames, under the notion of confining the clergy to the attention of the Scriptures. From that time, all ancient learning which was not sanctioned by the authority of the church, has been emphatically distinguished as profane in opposition to sacred. The early Chinese literature suffered a similar misfortune to that of the west in the destruction of the Alexandrian library; their emperor, Chee-whan-gtee, ordered all writings to be destroyed, that everything might begin anew as from his reign; and books and records were afterwards recovered by succeeding emperors with great difficulty.

The first public library in Italy was founded by Nicholas Niccoli, one of the great restorers of learning. At his death, he left his library for the use of the public, A. D. 1436. Cosmo de Medici enriched it, after the death of Niccoli, with the invaluable Greek, Hebrew, Arabic, Chaldaic, and Indian MSS. Among the great libraries of Europe are the following:—That of the Vatican, at Rome, founded by Pope Nicholas V., in 1446; improved by Sixtus V., 1588; it contains 150,000 volumes, and 40,000 manuscripts. The Imperial Library of Vienna, founded by Maximilian I., about 1500; and one of the most choice existing. The Royal Library of Paris, by Francis I., about 1520; it contains 500,000 volumes, and 77,000 manuscripts. The Escorial, at Madrid, commenced with the foundation of that sumptuous palace, by Philip II., in 1562; the Spaniards regard it as matchless. The Library of Florence, by Cosmo de Medici, 1560, of great value in illustrated and illuminated works. The Library of the University of Munich contains 400,000 volumes, and 10,000 manuscripts; and that of Gottingen, 300,000 volumes, and 6,000 manuscripts.

Richard de Bury, chancellor and high treasurer of England, so early as 1341, raised the first private library in Europe. He purchased thirty or forty volumes of the abbot of St. Alban's, for fifty pounds' weight of silver. Our national libraries are of great number and extent; the following are among the principal:—The Bodleian, at Oxford, founded 40 Elizabeth, 1598; opened in 1602; this library contains nearly 400,000 volumes, and upwards of 30,000 manuscripts. The Cottonian Library, founded by sir Robert Cotton, about 1600; appropriated to the public, 13 William III., 1701; partly destroyed by fire, 1731; removed to the British Museum, 1753. The Radcliffeian, at Oxford,

founded by the will of Dr. Radcliffe, who left £40,000 to the University, 1714; opened, 1749. The Library at Cambridge, 1720, when George I. gave £5,000 to purchase Dr. Moore's collection. The fine library of George III., presented to the nation by George IV., in 1827. The library of the Royal Institution. That of the London Institution, of Sion College, &c., and the great library of the British Museum, containing about 500,000 volumes, and 100,000 manuscripts, including the Cottonian, the Harleian, and other collections. The Library of the University of Dublin, and the Advocates' Library in Edinburgh, are among the most extensive and valuable in these countries.

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**RHODE ISLAND BILLS OF CREDIT.**—The earliest emission of bills of credit, to take the place of gold and silver in Rhode Island, was made in 1710. The colony had been at great expense in furnishing supplies for the war with France, in which the mother country had been involved ever since the accession of William and Mary to the throne. Finding the resources of the treasury inadequate to the exigency, the General Assembly, following the example already set by Massachusetts twenty years before, adopted the fatal though perhaps inevitable expedient of issuing bills of credit, and thus delaying the actual payment of the debts which had been incurred. The first emission did not exceed the sum of five thousand pounds; but this mode of postponing to the future the necessities of the present, having been once invented, was found to be too convenient to be readily abandoned. Other emissions followed in rapid succession, until, in 1749, after the lapse of nearly forty years, the bills which had been issued amounted to not less than three hundred and twelve thousand three hundred pounds, of which one hundred and thirty-five thousand pounds were still standing against the treasury, in one form or another; and these constituted the depreciated and almost valueless currency of the colony.

Every occasion of public expenditure furnished an excuse for the issue of a new *Bank*; and though merchants were everywhere suffering from the policy, and frequently petitioned against it, and most intelligent persons were satisfied of its ruinous tendency, yet so captivating to the people is always the idea of plentiful money, and so clamorous were now the multitude of those who were largely in debt, that numbers of the assembly constantly yielded to the popular will, and in some instances, it is said, actually legislated to meet their own private necessities. The currency which was thus created tended in no equivocal manner to impair the commercial contracts, and to prostrate the commercial honor, of the whole community; while it perpetually offered to the reckless and the profligate an opportunity, too tempting to be resisted, to counterfeit the bills of the colony; a crime of frequent occurrence, though punished in Rhode Island with cropping the ears and branding the forehead of the offender, together with the confiscation of his entire estate.

Such is a brief outline of the subject upon which the two political parties in Rhode Island were accustomed to divide during the period of which we are now writing.—*Sparks' American Biography.*

## STATE FINANCES.—FINANCES OF NEW YORK.

STATEMENT exhibiting the population of the STATE OF NEW YORK, under the Census of the State, and of the United States, commencing with her Internal Improvements, the Canal Loans, Principal of Loans paid, Interest on Loans paid, Amount of Canal Tolls, the Valuations of Real and Personal Estate, the General Movement of Property on all the Canals, and the Estimated Value of the same.

Year.	Population.	Canal Loans.	Canal Loans paid.	Interest.	Tolls Collected.	Real and Personal Estate.	From Tide.	At Tide.	Internal Tide.	Total.	Value.
1815	1,035,910	•	•	•	•	\$292,388,827	133,796	696,347	480,664	1,310,807	•
1816	1,103,201	•	•	•	•	299,418,207	133,796	611,781	437,385	1,171,296	\$55,809,288
1817	1,170,672	\$200,000	•	\$6,000	•	311,341,390	640,481	549,722	1,333,011	65,746,559	•
1818	1,238,052	200,000	•	16,250	•	281,056,282	602,128	691,550	1,435,713	73,399,764	•
1819	1,305,432	400,000	•	38,836	•	255,818,416	669,012	617,454	1,416,046	66,303,592	•
1820	1,372,812	693,300	•	70,927	•	242,538,480	666,676	447,011	1,236,931	60,016,603	•
1821	1,421,542	1,400,000	•	123,672	\$2,200	242,538,480	836,861	532,983	1,513,439	74,841,281	•
1822	1,470,271	1,350,000	•	190,948	44,486	248,055,574	1,019,094	620,755	1,816,586	100,629,856	•
1823	1,519,000	1,656,000	•	209,297	119,988	271,957,734	1,204,943	577,622	1,977,565	100,629,856	•
1824	1,567,729	1,568,270	•	442,041	280,320	274,356,296	1,362,319	692,528	2,268,662	115,812,109	•
1825	1,616,458	270,000	•	409,884	521,343	299,197,721	837,260	•	•	151,563,427	•
1826	1,676,888	377,000	•	423,951	844,508	315,033,779	•	•	•	•	•
1827	1,737,318	•	\$270,000	418,125	880,454	315,839,783	•	•	•	•	•
1828	1,797,748	210,000	20,000	424,010	829,535	329,541,704	•	•	•	•	•
1829	1,858,178	87,000	321,142	418,842	815,239	331,433,318	•	•	•	•	•
1830	1,918,608	150,000	30,977	416,520	1,042,699	346,798,963	•	•	•	•	•
1831	1,969,793	240,263	9,653	318,564	745,561	356,418,746	•	•	•	•	•
1832	2,020,974	•	•	432,217	1,112,194	380,690,886	•	•	•	•	•
1833	2,072,155	95,737	1,478,336	411,196	1,388,055	417,834,453	•	•	•	•	•
1834	2,123,336	950,000	588,006	358,510	1,381,951	439,567,534	•	•	•	•	•
1835	2,174,517	•	706,943	365,823	1,482,963	527,531,634	•	•	•	•	•
1836	2,223,801	650,000	651,249	328,744	1,599,619	671,452,060	133,796	696,347	480,664	1,310,807	•
1837	2,273,081	810,920	971,644	309,108	1,324,429	626,609,987	122,130	611,781	437,385	1,171,296	\$55,809,288
1838	2,322,361	3,493,061	351,023	446,798	1,464,105	628,331,939	142,808	640,481	549,722	1,333,011	65,746,559
1839	2,371,641	1,545,000	67,300	494,517	1,653,007	654,431,257	142,035	602,128	691,550	1,435,713	73,399,764
1840	2,420,921	3,478,553	137,726	655,921	1,602,059	641,423,782	129,580	669,012	617,454	1,416,046	66,303,592
1841	2,457,639	2,213,618	33,770	801,683	1,987,807	655,477,427	162,715	774,334	584,612	1,521,661	92,202,929
1842	2,494,353	3,411,618	143,600	1,006,497	1,793,484	620,676,346	123,294	666,676	447,011	1,236,931	60,016,603
1843	2,531,067	1,002,700	184,768	1,093,474	1,952,587	595,262,444	143,595	836,861	532,983	1,513,439	74,841,281
1844	2,567,781	655,000	333,418	1,116,726	2,386,277	599,891,923	176,737	1,019,094	620,755	1,816,586	100,629,856
1845	2,604,495	245,000	1,268,884	1,104,319	2,374,007	606,646,095	195,000	1,204,943	577,622	1,977,565	100,629,856
1846	2,652,998	300,000	2,961,780	976,552	2,788,134	616,824,955	213,815	1,362,319	692,528	2,268,662	115,812,109
1847	2,701,499	•	284,490	937,205	3,460,975	632,699,993	288,267	1,744,283	837,260	2,869,810	151,563,427
Am't C. Loans, \$27,653,122		\$10,909,372									

MOVEMENT OF PROPERTY ON ALL THE CANALS.



## DEBT OF THE STATE OF NEW YORK.

From the Circular of W. BARD &amp; SON.

Astor Loan, at 5 per cent., . . . . .	\$561,500 00
Bank Fund, 5 " . . . . .	348,107 00
Ithaca and Owego Railroad, 4½ per cent., . . . . .	287,700 00
Do. do. do. 5½ " . . . . .	28,000 00
Canajoharie and Catskill Railroad, 5 per cent., . . . . .	200,000 00
New York and Erie Railroad, 4½ " . . . . .	300,000 00
Do. do. do. 5½ " . . . . .	1,600,000 00
Do. do. do. 6 " . . . . .	1,100,000 00
Hudson and Berkshire Railroad, 5½ " . . . . .	150,000 00
Indian Annuities, 6 " . . . . .	122,694 87
Temporary Loans, . . . . .	1,441,838 95
General Fund Debt, . . . . .	<u>\$6,139,840 82</u>

Erie and Champlain Canals, 7 per cent., . . . . .	\$136,378 52
Erie Enlargement, 5 " . . . . .	6,815,519 29
Do. do. 6 " . . . . .	1,311,867 65
Do. do. 7 " . . . . .	1,994,613 06
Cayuga and Seneca Canal, 5 " . . . . .	87,000 00
Chemung Canal, 5 " . . . . .	437,292 23
Do. do. 6 " . . . . .	72,160 11
Do. do. 7 " . . . . .	139,148 24
Crooked Lake Canal, 5 " . . . . .	120,000 00
Chenango Canal, 5 " . . . . .	27,030 00
Do. do. 6 " . . . . .	28,362 00
Do. do. 7 " . . . . .	6,102 34
Black River Canal, 5 " . . . . .	1,127,706 23
Do. do. 6 " . . . . .	436,293 77
Genesee Valley Canal, 5 " . . . . .	2,797,379 82
Do. do. 6 " . . . . .	287,243 56
Do. do. 7 " . . . . .	800,376 62
Oneida Lake Canal, 5 " . . . . .	50,000 00
Improvem't of Oneida River, 5 " . . . . .	58,000 00
Do. do. do. 6 " . . . . .	1,843 56
Do. do. do. 7 " . . . . .	9,432 57
Canal Debt, . . . . .	<u>\$16,743,749 57</u>

Delaware and Hudson Canal Co., 4½ per cent., . . . . .	\$300,000 00
Do. do. do. 5 " . . . . .	493,000 00
Auburn and Syracuse Railroad, 5 " . . . . .	200,000 00
Auburn and Rochester do. 5½ " . . . . .	200,000 00
Long Island do. 6 " . . . . .	100,000 00
Schenectady and Troy do. 6 " . . . . .	100,000 00
Tonawanda do. 5½ " . . . . .	100,000 00
Tioga Coal, Iron Mining and Manufacturing Co., 5½ per cent., . . . . .	70,000 00
Contingent Debt, . . . . .	<u>\$1,563,000 00</u>

## RECAPITULATION.

General Fund Debt, . . . . .	\$4,575,307 00	Interest, . . . . .	\$244,966 85
Indian Annuities and Temporary Loans, . . . . .	1,564,533 82	" . . . . .	93,961 24
Canal Debt, . . . . .	16,743,749 57	" . . . . .	923,633 40
Contingent Debt, . . . . .	1,563,000 00	" . . . . .	81,500 00
Debt on 30th September, 1847, . . . . .	\$24,446,590 39	" . . . . .	\$1,344,061 49
Redeemed on 1st Jan. 1848, . . . . .	841,107 00	" . . . . .	42,055 35
Present Debt, April, 1848, . . . . .	\$23,605,483 39	" . . . . .	\$1,302,006 14

The Interest on the Contingent Debt is provided for by the respective Companies to whom the credit of the State was loaned. On the other debts the Interest is raised by the Treasury.

## TIME OF REDEMPTION.

1848, . . . . .	\$1,379,480 00	1861, . . . . .	\$3,782,974 23
1849, . . . . .	2,149,400 00	1862, . . . . .	1,800,000 00
1850, . . . . .	736,000 00	1864, . . . . .	587,700 00
1851, . . . . .	870,000 00	1865, . . . . .	348,000 00
1854, . . . . .	520,000 00	1867, . . . . .	100,000 00
1856, . . . . .	4,000,000 00	Uncertain, . . . . .	2,130,223 82
1858, . . . . .	3,358,605 34		
1859, . . . . .	350,000 00		\$23,605,483 39
1860, . . . . .	1,493,100 00		

The receipts from the State Canals for the year ending 30th Sept., were, \$3,473,486 60

The repairs and expenses, . . . . . 641,652 08

Leaving a surplus of, . . . . . \$2,831,834 52

Applied to Expenses of Government, . . . . . \$200,000 00

To pay Interest and Principal of Canal Debt, . . . . . 1,300,000 00

Do. do. do. General Fund Debt, . . . . . 350,000 00

Remainder for the Completion of Canals, . . . . . 981,834 52

\$2,831,834 52

A large Sinking Fund, and the daily increasing income from the State Canals and other improvements, added to the many other resources of this flourishing State, provide for the most punctual payment of the Interest on this debt, and for its gradual extinguishment.

## NEW YORK CITY DEBT.

Public Building Stock, redeemable 6th May, 1856, 5 per cent., . . . . .	\$515,000 00
Fire Loan Stock, " 16th Jan., 1851, 5 " . . . . .	500,000 00
Fire Indemnity Stock, " 10th May, 1861, 5 " . . . . .	375,088 00
City Stock of 1820 and 1829, " in 1850, 5 " . . . . .	250,000 00
Croton Water Stock, " in 1890, 5 " . . . . .	385,000 00
Temporary Water Loan, " before 1850, 5 " . . . . .	701,423 00
Water Loan Stock, " 1st Feb., 1852, 7 " . . . . .	90,857 00
Do. do. " 1st Aug., 1852, 7 " . . . . .	799,350 00
Do. do. " 1st Feb., 1857, 7 " . . . . .	989,488 00
Do. do. " 1st Jan., 1858, 5 " . . . . .	3,000,000 00
Do. do. " 1st Jan., 1860, 5 " . . . . .	2,500,000 00
Do. do. " 1st Nov., 1870, 5 " . . . . .	3,000,000 00
Do. do. " 1st Nov., 1890, 5 " . . . . .	1,445,577 00
	\$14,551,783 00

Less held by the Commissioners of the Sinking Fund, . . . . . 2,541,432 24

Debt on the 1st January, 1848, . . . . . \$12,010,350 76

The Debt was, on the 1st January, 1847, . . . . . 12,257,906 89

Decrease, . . . . . \$247,556 13

The Annual Interest on this Debt amounts to . . .	\$733,318 44	
Less Interest on Sinking Fund, . . . . .	124,182 60	609,135 84
<hr/>		
The Valuation of Real Estate for the City and County of New York		
was, for 1847, . . . . .	\$187,315,396 00	
Do. do. do. Personal Estate, . . . . .	59,837,917 00	
Total, . . . . .	\$247,153,303 00	
<hr/>		
The tax on which, at 1.04 <sup>46</sup> per cent., amounts to . . . . .	\$2,581,776 00	

## BANK ITEMS.

**THE IRON BANK.**—Charles P. Bissell, Esq., late Teller of the Farmers and Mechanics' Bank at Hartford, has been elected Cashier of the Iron Bank, Falls Village, Connecticut, in place of R. M. S. Pease, Esq., resigned.

**STATE BANK OF ILLINOIS.**—The charter of this bank expired on the 31st October last. We learn from the Springfield Journal, that the Governor of Illinois, by authority of the last liquidation law, has appointed Messrs. N. H. Ridgley, (Cashier of the bank when it failed) Uri Manly, and John Calhoun, trustees, for finally closing its affairs. The Board of Directors have assigned to these trustees, all the effects of every kind of the bank, and have given them full power to do every thing necessary for the performance of the trust.—*Missouri Republican*.

**PROTESTING BANK NOTES.**—The Comptroller of the State of New York has very justly decided that, in cases of protesting bank notes, the whole amount demanded by any person at any one time shall be included in one protest.

A Buffalo broker sent a notary with a package of notes to one of the banks in Chautauque county to demand the specie, but the specie was not forthcoming. Each note was then put under separate protest, making a bill of costs of some \$200. The bundle of notes and protests was sent to the Comptroller's office, where they were redeemed at an expense of 75 cents.—*Thompson's Bank Note Reporter*.

**BOSTON MONEY MARKET.**—A favorable change in the money market has taken place during the past week. The banks are discounting more liberally, and there is less demand for money in the street. First class paper is not abundant, and even Corporations seem to be out of the market for the moment.—The rates of interest are unsettled, but they are lower than for some time. It is doubted by many whether this improvement will be permanent, as it is thought probable that the demand for money will be great until the present year's liabilities are cancelled. A rapid improvement is not to be expected after such a long season of depression; but business has been so far curtailed, and prices have fallen so low, that much less money is required to carry on mercantile transactions, or to hold the accumulating stocks of produce and manufactured goods.—*Boston Traveller, 25th November*.

## BANKS OF NEW YORK.

*Banks of the City and State of New York, 30 September, 1848.*

RESOURCES.	City Banks.	All others.	Total.
Loans and discounts to directors and brokers,	\$36,473,264	\$31,613,890	\$68,087,154
Do. do. to directors, . . . . .	3,161,064	2,255,569	5,416,633
All other liabilities, absolute or contingent, of directors, . . . . .	488,562	972,556	1,436,118
All sums due from brokers, . . . . .	1,470,188	553,022	2,023,210
Real estate, . . . . .	2,059,890	1,435,671	3,495,561
Bonds and mortgages, . . . . .	129,696	2,529,112	2,658,808
Stocks, . . . . .	4,504,577	8,009,022	12,513,599
Promissory notes other than for loans and dis.	68,427	155,020	223,447
Loss and expense account, . . . . .	258,705	247,821	506,526
Overdrafts, . . . . .	38,181	160,237	198,413
Specie, . . . . .	4,740,847	980,287	5,721,134
Cash Items, . . . . .	4,902,674	845,769	5,748,443
Bills of solvent banks on hand, . . . . .	795,745	1,796,703	2,592,448
Bills of suspended banks on hand, . . . . .	. . . . .	47,014	47,014
Due from solvent banks on demand, . . . . .	2,898,027	4,939,773	7,837,800
Do. do. on credit, . . . . .	. . . . .	396,366	396,366
Due from suspended banks on demand, . . . . .	29,929	252,978	282,907
Due from suspended banks on credit, . . . . .	. . . . .	4,418	4,418
Total resources, . . . . .	\$61,530,424	\$56,200,138	\$117,730,562
LIABILITIES.			
Capital, . . . . .	\$24,136,222	\$20,037,011	\$44,173,233
Profits, . . . . .	3,343,640	3,230,832	6,574,472
Notes in circulation not registered, . . . . .	314,951	379,859	694,810
Do. do. registered, . . . . .	5,411,940	16,494,301	21,906,241
Due Treasurer State N. Y. . . . .	42,797	727,018	769,815
Due Com. Canal Fund, . . . . .	81,690	1,419,847	1,501,537
Due depositors on demand, . . . . .	20,353,365	8,481,659	28,835,024
Due individuals and corporations other than banks and depositors, . . . . .	58,262	619,815	678,077
Due banks on demand, . . . . .	7,235,161	4,303,986	11,539,047
Do. do. credit, . . . . .	. . . . .	860,535	860,535
Due to others not included in either of the above heads, . . . . .	552,553	575,835	1,128,388
Total liabilities, . . . . .	\$61,530,424	\$56,200,138	\$117,730,562

## BANK DIVIDENDS.

*Dividends declared by the Banks of Philadelphia, November, 1848.*

Bank of Northern Liberties, 5 per cent.	Commercial Bank of Penn., 4 per cent.
Philadelphia Bank, . . . 5 "	Manuf'trs and Mechanics, 3½ "
Kensington Bank, . . . 5 "	Bank of Commerce, . . . 3 "
Southwark Bank, . . . 5 "	Farmers and Mechanics,* 2 "
Mechanics Bank, . . . 5 "	Western Bank, . . . . 5 "
Bank of Penn Township, 5 "	

\* \$2 per share of \$30.

## Notes on the Money Market.

NEW YORK, NOVEMBER 24, 1848.

We have to record a more buoyant condition of the money market since the first week in November. There is a much better feeling among monied men, and in the banks of our principal cities. The Stock Exchange, that unerring barometer, indicates this improved feeling.

The banks of Boston and Philadelphia have recently declared dividends of a most satisfactory nature to their stockholders; and the line of discounts is, we are informed, as large as it prudently should be in both cities.

There are considerable issues of Government Stock by the Treasury for foreign account, and sales have been effected at  $107\frac{1}{2}$ , which is far better than the price stated to have been obtained by Mr. Corcoran in London. This rise is in some measure attributed to the notice of the Secretary of the Treasury under date of November 7th, that no further instalments will be required upon the new loan, prior to January next. There is another, a more potent, cause (in our view) of this advance in Government securities, viz: the result of the Presidential election. In this result, we see the triumph of peace over war measures, and that the domestic policy supercedes the foreign one.

We now have reason to hope that American labor and American capitalists will be restored to that measure of protection which is so essential to enable them to compete with the pauperism and the gigantic money power of Great Britain and the Continent. It has been manifest for four years past, that the iron and coal interests of Pennsylvania, and the manufactures of the North, South and West, require the fostering care of the Government. We have been pouring millions after millions into the lap of England and Germany, to pay for labor which should have been performed at home. While money is a drug at two or three per cent. per annum, (as at this moment in London) and while labor is so low throughout Europe, we cannot expect to keep our Cotton Mills, our Furnaces, and our Mines in full force.

It may not be generally known to our readers, and we now refer to the fact, (see p. 520 of our second volume) that the duty realized by Great Britain upon one article of American produce annually, is about *Twenty Millions of Dollars*. We speak of Tobacco. The aggregate value of the article, upon which that country derives such a revenue, is in our markets less than *two millions*. Great Britain thus creates a greater revenue from one small article of our exports, than we do upon the *whole importations from that country*.

Bids were received during the past month for \$500,000 of Erie Railroad seven per cent. bonds. The successful offers ranged from \$88 02 to \$89 00. These are *mortgage* bonds and are considered an excellent investment. The old stock of the Company is selling at 57, and the new stock at 80.

The exports of cotton to Europe from 1st September to the middle of November, are about 220,000 bales, against, for the same period last year, 155,000 bales. The receipts thus far this year, are fifty per cent. larger than in 1847, and there is a fair prospect that the crop will reach 2,600,000 bales for the year ending 1st September, 1849.

There have been numerous failures within four weeks past at Boston, New York, Philadelphia, Hartford and Providence. Boston has suffered much from undue investments in Copper stocks and Railroad stocks at a distance. Trade has become too extended, credits have been too long, and the importations of foreign manufactured goods too large. The Treasury estimate of revenue from customs this year was thirty-one millions. This has been exceeded largely; thus indicating that our imports have been too heavy.

Exchange on London, 60 days,  $108\frac{1}{2}$ —109.

THE  
BANKERS' MAGAZINE,  
AND  
State Financial Register.

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VOL. III.

JANUARY, 1849.

NO. VII.

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ON THE INTEREST OF MONEY.

Communicated for the Bankers' Magazine.

THE object of this paper is not (as might be warranted from its caption) to discuss the propriety or the terms of those laws which mankind, with great uniformity and universality, have submitted to; as regulating the usance of money and the price which should be paid for its occasional transfer and employment. Such a discussion would open, of course, the whole question of *usury*; a very extensive subject, and one which invokes a multitude of statements and considerations, foreign it might seem to its financial aspect, in clearing up the ethical principles by which, for instance, a merely constructive offence is (as with us in Maryland) visited with a penalty more surefooted and more heavy than what is very often inflicted upon crimes of undoubted fraud or personal violence. Nor is it intended to offer here, any speculations upon the merits or permanence of a regime that retains, in the face of many and extensive mutations of commerce in other regards, a price for the usance of money confessedly below the average value (or perhaps it would be more correct to say, the average *demand*) of that article in our market. For such speculations would involve, too, sundry ethical considerations in judging of the social advantages or otherwise of a system, one of whose prominent effects is the stimulating of perverted ingenuity to evade its application and thus to prevent it from being fairly and uniformly carried out.

These topics, then, are set aside for the present; and what follows, belongs merely to the technical part of the subject—the mode in which the interest of money is and ought to be calculated with an indication of how systematically and totally the design, if not the very terms, of the existing laws in this regard, are frustrated by the methods habitually

accepted and in practice. These laws are, in the first instance and specially, those which obtain in Maryland, where the limit of interest on money has been, since a long time, six per cent. per annum; but the indications, it is manifest, may be equally applied, under suitable modifications, to the laws of other States and countries where different rates to be sure but similar provisions have been introduced.

The interest on money, then, is with us calculated upon the natural or more properly *calendar* days; each one of which is assumed to be the  $\frac{3}{360}$  part of the natural or tropical year. And in addition to the number of days expressed or implied upon the face of the obligation for the money had and received, interest is farther calculated upon an allowance of three days of grace and also for one day more; making in all *four* days more than what is apparent from the obligation or promissory note to pay. This extra fourth day seems to be justified in the presumption that the lender (not being prophetic) cannot certainly know in advance that the obligation will be redeemed; nor is he ordinarily possessed of such knowledge until, it may be, the afternoon of the third day. It is, therefore, hardly competent for him to make positive arrangements for the disposal of the money so replaced, among other parties until the said fourth day; and as such disposal may not in fact take effect until the fifth day, it appears to be fair that the first borrower should be charged with the amount of the otherwise possibly lost usance for one day. This, at least, appears to be the practice with Banks and regular Banking-houses trading in money. As for more private, and so to speak, amateur operations, where such rigid punctuality is not always exhibited nor perhaps bargained for, days of grace are accepted or not according to circumstances; most generally, however, the interest is calculated not from the date of the loan to the date of re-payment; as would indeed be the judicial adjustment in case of legal process in behalf of a Bank or Banking-house upon an obligation unredeemed at maturity. But neither amateurs nor regular dealers doubt that the days reckoned in the count of interest are each the  $\frac{3}{360}$  of the year. What would be the decision of a Court of Law upon this point, strenuously argued before it, remains to be seen. Finally, it is the custom of Banks and regular dealers at least, though perhaps of a minority only of private lenders, to require the interest calculated in the foregoing manner to be paid in advance. Such, it is believed, is a correct statement of the method in which interest is calculated and paid. How it *ought* to be, can only be judged by a comparison with the prescriptions of the statutes.

Now, in general, these statutes, so far as belonging to the present point, only require that interest shall not exceed the rate of six per centum per annum; and that it shall not be so calculated as to charge interest upon interest, i. e. that it shall be rated upon the actual principal had and received. All these prescriptions are, as we shall see, more or less substantially frustrated in the practice.

First of all, what is the *year* contemplated and intended to be recognized in the law?—Undoubtedly it is the civil or calendar year, extending from the first of January, to the first of January; and which (although, to prevent fractions of days, it allows for every three con-

secutive years of 365 days, a bissextile or leap year of 366 days) may yet be taken, throughout any century,\* for all purposes of calculation, except the refinements of Astronomy, at the average of  $365\frac{1}{4}$  days, to adjust itself to the revolutions of the natural or tropical years. And this is so plain that it would without demur be recognized in the case of any contract, the written obligation for which purported on its face to be for twelve months or one year; the months would be unanimously twelve calendar months, some of 31 days and some of 30; and the year would be the calendar year of 365 or 366 days, according as it happened or not to be divisible by 4 without remainder. If the said contract purported to extend over as much as four years, then the average year would necessarily be of  $365\frac{1}{4}$  days. But all this reality and necessity is in great measure frustrated; because in point of fact nine-tenths at least of all the obligations passed for money lent are upon a specific number of *days*, not years or months; and even when *months* are recited upon the face of the instrument, it is easy to see that since the long and short months do not alternate regularly, nearly as often as not the count turns to the disadvantage of the borrower. It may then be affirmed upon this point, that in consequence of the assumed financial year being shorter than the legal calendar year, the habitual rate of interest is in reality greater than the prescribed legal rate. In point of fact, the 6 per centum per annum of the law becomes by this means  $6\frac{2}{3}\%$  per cent.

Again the addition to the days of grace serves to make a farther increment in this rate. It is of course perfectly proper that the three days of grace should yield an interest to the lender; because the borrower has the option (and generally avails of it) to retain the money until towards the close of business hours on the third day; but on the fourth day he has no such option. However fair, then, interest accruing for this day may be between the parties; however justified it may be

\* The Gregorian reformation of the Calendar was, as is well known, intended to adapt as accurately as possible the civil to the natural year, and thus cure the irregularity which had become quite conspicuous in the unseasonable recurrence of certain annual ecclesiastical festivals. But partly from the inadequate astronomical knowledge at the time (1582) and partly from the inherent asynchronism of the two periods in question, the artificial and natural cycles do not perfectly coincide. In the course of one century, the intercalation of twenty-five leap years make the civil count longer than the true interval by  $7\frac{1}{9}$ ths of a day. This was sought to be corrected by providing that of every four centenary years, one only should be bissextile, and the three other common years of 365 days. Such a correction leaves the calendar of every 400 years, however, still too long by  $1\frac{1}{9}$ th of a day: Delambre, more than fifty years ago, proposed to correct this excess perfectly by making the year 3600 and its multiples, common years, instead of bissextile as they would be by the Gregorian system. This system, which in the circuitous way I have been obliged to explain it, may appear rather complicated, is in fact very simple. All years whose date is divisible by 4 without remainder are bissextile, unless at the beginning of a new century. Of the centenary years, only those are bissextile whose number expressing the centuries is in like manner divisible by 4 without remainder. Thus 1848 which divided by 4 leaves no remainder is a leap-year; 1849 is not: the year 1600 was a leap-year, because 16 (centuries) divided by 4 leaves no remainder; in like manner the year 2000 will be a leap-year; but 1900 will not be. The year 3600 will be, according to the present calendar, bissextile; but it ought not to be in order to make the cycles synchronize. All this serves to shew, however, what was said in the text, that within every century  $365\frac{1}{4}$  days corresponds with a true year for all civil purposes.



by a due regard to the circumstances of the lender; or, however sanctioned by long and unanimous usage; it certainly receives no countenance from the terms of the law or from its scope which is that the lender should be entitled to interest for the whole period that the money had been out of his control but no longer. The increment of the rate of interest arising from this method of calculating, is in the ratio of the specified number of days *plus* 3 to the same number *plus* 4: it varies, of course, with the actual number; and when its ratio is multiplied into the proportion already given of the inaccurate year to the legal year, we have for any given number of days a rate of interest discordant, in the sense of excess, from the rate prescribed by law. This will be more apparent by the following table containing various numbers of days usually specified on the face of obligations, and the corresponding rates of interest actually accruing upon such obligations in every case.

Obligation for	Actual rate of Interest.	Obligation for	Actual rate of Interest.
10 days: . . .	6,56 per cent.	90 days: . . .	6,15
20 days: . . .	6,35 "	120 days: . . .	6,14
30 days: . . .	6,27 "	180 days: . . .	6,12
60 days: . . .	6,18 "	360 days: . . .	6,10

It is easily seen that the rate of interest gradually diminishes as the number of days, i. e. the length of time, increases; and in so far, short notes are disadvantageous to the borrower and proportionally lucrative to the lender. It can be as easily imagined that there would be limits at both extremities of the scale: in point of fact, the maximum limit, where the rate is the highest, occurs when the fractional number representing the days is infinitely small; and the minimum limit, where the rate is the lowest, when the number of days is infinitely great.\* In the first, the rate attains the limit of 8,12 per cent.; in the latter, it decends as low as 6,0875 per centum. In either, however, it is more than the rate prescribed in the law.

Again what is the *rate per annum* so prescribed; and how is the phrase to be construed and understood?—There can be but little doubt that

\* This will be more apparent to the mathematical reader by the expression of the formula. Thus the interest on any principal sum  $A$  being at any rate  $r$  per year of 365,25 days and the specified days being any number  $n$  with a constant allowance of 3 days of grace, if we call the principal and interest at maturity  $a$ , we shall have this equation:

$$a = A \cdot \left(1 + \frac{n+3}{365,25} \cdot r\right)$$

The same symbols remaining, only assuming the year to be 360 days and allowing 4 days of grace, we shall have in like manner

$$a' = A \cdot \left(1 + \frac{n+4}{360} \cdot r\right)$$

Now  $a : a' :: r : R$  = the actual rate of interest accruing. Dividing by the factors common to both terms, we have

$$R = r \cdot \frac{365,25 \cdot \frac{n+4}{360} + \frac{n+3}{360}}{\frac{n+4}{360}} = r \cdot \frac{1,01458\frac{1}{2}n + 4,058\frac{1}{2}}{n+3}.$$

It is evident that  $R$  is at its maximum when  $n = 0$ ; and that it is at its minimum when the days of grace become  $= 0$ , as they do when  $n$  is infinite.

the word *rate* here means *ratio*; and as little that this last, if respect is to be had to the authority of those who first used the term in its technical sense, implies a *quotient* not a *difference*. It is the integral or fractional number of times that a given quantity is contained in any other given quantity. Thus the *ratio* of 6 to 10 is said to be (as 1 is to)  $1\frac{2}{5}$ ; the *difference* between the two numbers is 4, which expresses nothing as regards any scale and, with respect to the harmony of numbers, is entirely barren. For this same difference occurs between an infinity (one may say) of other numbers whose ratios are very different. Thus 4 is the difference between 8 and 12, also; whose ratio is however not  $1\frac{2}{5}$  but  $1\frac{1}{2}$ : it is the same between 16 and 20 whose ratio is  $1\frac{1}{4}$ ; and so on. It is true that we sometimes hear the phrase "arithmetical ratio"; but it is applied to a series of progressions by differences whose harmony is established upon other statements; and it is besides, even there, but a loose way of expression.

That this was also the perception (however vaguely appreciated and unskillfully carried out in practice) of the law, is evident from the very term it makes use of. What does *six per centum* imply but six for every hundred? and what does this show but an idea of multiples and quotients as distinguished from differences? It is true that at the period of the origin of the present law or its prototype, the analytic apparatus at the disposal of not only commercial men but even of professed mathematicians, was so deficient as to have made the calculation according to this idea exceedingly laborious; but Archimedes and Euclid had not lived so much in vain as to leave the world and its men of business without the possession of the idea. Shrinking, it may be, from the tedium of the necessary calculation and appalled at the intricacy of its processes as then existing, they resorted to an approximation which was the more readily adopted on the one hand because it was to the advantage of the lender, and acceded to on the other because the borrowers were very needy. For its maintenance at the present time, when proper arithmetical processes offer no difficulty, there is no reason for indicating such an invidious contrast; it is retained, one may suppose because it is very convenient and because it has been sanctioned by long usage. This last, however, if we argue from analogy, is precisely the reason which modern Reformers marching under the banner of *Rotation*, &c. will not be likely long to admit.

The law then intends that 100 dollars or unitary pieces of whatever denomination, shall produce to the lender 106 dollars or units at the end of the year; and no more. The ratio of the principal then to the principal and year's interest is 100 to 106; and the ratio of the year's interest to the principal is 6 to 100 or, as we say ordinarily, six per cent. In order that it may be a ratio and not a mere arbitrary increment, the term must be so involved as that the growth of the interest (which, we say commonly and say truly, is going on while we sleep) shall be continual and progressive; the aggregate of principal and interest at any epoch within the year must be always such as that if placed at interest at the same rate for the remainder of the year, it should still equal but not surpass 106 for every 100, at the year's end.

That this is so might be inferred from the general motives at the

origin of any social regulation on the subject. Such a regulation did not arise in any contemplation of benefit to the *lenders* of money. On the contrary, they, being the sinewy men of war and peace, were very well able to take care of themselves without law, as some are even said to do to this day in spite of it; it was needed for the borrowers. The very admission of a *limit*, makes this evident without argument. Now there may be and often are cases of limits being set in theory which are very far from being carried out in practice, but we are not warranted in supposing any law-makers to contemplate a frustration in theory of their own limit; such as will occur by any other method of computation for interest than the one that has been indicated. Whether then we trace the origin and type of our usury laws (so far as England is concerned) to the Dano-Saxon period when borrowers, although in the Council and in the Field among the mighty of the land, were, as respected the demand for re-payment and for the use of the loan, at the mercy of the lenders; or look for it three centuries later when the growing commerce of the Hanse-Towns, and the difficulties of actual exchanges had created a new class of what may be termed *involuntary* debtors (merchants having balances of their correspondents in their hands but without ready or safe means of remittance;) we are equally authorized in saying that the imposition of a limit was for the protection of the borrower.

Such protection when the theory of the law is carried out would be afforded both directly and indirectly; directly in the uniformity of the rate of charge for interest; and indirectly, because if the money lender could get no more than 106 for the 100 at the end of the year no matter how often he renewed the loan or turned his money over, he would be preserved from the temptation of seeking short investments in order to force quick returns. And on the other hand, while this was perfectly just towards the other party in the financial result, it recognized besides a principal of importance, viz: that his interest was necessarily accruing as well for the least as the larger intervals of time.

All this is apparent upon the mere inspection of the formula\* according to which calculations for interest are made. It will be more evident by the following table showing, with the same rate of 6 per cent. per annum and a true year of 365½ days, the interest in cents and hundredths on a capital of 100 dollars for the days specified in the margin respectively and a farther allowance of three days grace; by the legal, and also by the habitual method.

\* For the case of continuous or as it is generally termed compound interest where the rate is uniform, the expression is  $a = A. 1 + r^n$ ;  $r$  being the rate per cent. per annum and  $a$  being the aggregate of principal and interest on a capital  $A$  placed for the term  $n$ , an integral or proportional part of a year. If  $n$  is in days, the expression becomes

$$a = A. 1 + r^{\frac{n}{365,25}}; \text{ for the true year.}$$

In the case of ordinary method of calculation, the expression is

$$a = A. 1 + nr.$$

the symbols retaining the same signification as before.

Days specified in the obligation.	Interest habitually reckoned.	Interest reckoned upon the presumed theory of the law.
	<i>cts.</i>	<i>cts.</i>
10	21,36	20,76
20	37,78	36,76
30	54,21	52,78
60	103,49	101,01
90	152,77	149,47
120	202,05	198,16
180	300,62	296,25
360	596,30	596,20

It is apparent here that the computations of the last column give a less amount for interest than those of the second, and this in proportion as the period becomes smaller and smaller; while they both coincide at the end of the year. If, then, it be only admitted that the law purposed a mode of computation which should be most advantageous to the borrower (as seems, from what has been already said, highly probable) it may be affirmed without regard to any other consideration, that the method adopted in the last column is the one which fulfils the aim of the law. And if regard be had to the other considerations, it may be repeated that this method, resulting at the end of the year in just the aggregate that the law prescribes, is the only method in which such an aggregate can be computed with an *uniform rate* of interest at any and all periods of the year. The other, habitual mode must be confessed to correspond with no explicable motive in the law; and, not based upon any proper technical idea of *ratio*, destroys all uniformity of rate. Such uniformity, at least, we may presume it was the aim of the law to inspire and maintain; and in so far as it is not maintained, the aim is proportionally frustrated.

Again the scope of the law is very marked in prohibiting the charge of *interest upon interest*. This prohibition was intended, it may be presumed, to refer to such a charge *directly*; for an *indirect* charge, such as is made by the method indicated here as the proper one, was, it is very probable, hardly appreciated by the legislators at the time. If it was, it would most likely have been adopted in terms; at all events it would have been equally in terms forbidden. But however this may be, the habitual practice always admits, indeed necessitates a direct accrual of interest upon interest even when the interest is not required to be paid in advance, whenever the term of the loan is less than one year. Now it will be said that although interest does so *accrue*, it is not so *charged* to any borrower; and that the prohibition is against charging not accruing. But an answer like this takes a very limited view of social and moral obligations. All along, there has been good reason for supposing that usury-laws were made for the benefit of the borrowers, and if so, of course to tie up the lenders. But even if this be incorrect, there is no process of ethical or historical proof to shew that such laws were made for the lenders' benefit; and the utmost that could be claimed would be that it was intended to bear equally on both parties. Now an equality without an equation is what no one, mathematician, lawyer or layman can understand; and yet such would be the category if the lender be not as much bound not to receive as

the borrower is justified not to pay. When the law forbids A. to charge B. interest upon interest or interest above a certain rate, it was not in the view of its being too much for B. to pay but too much for A. to receive, as is apparent from the whole scope of the penalties imposed in this regard; all of which fall on A. not on B. If then the excessive interest be too much for A. to receive from B, it is too much for him to receive from C. or D. or any other designation in the alphabet. And yet he does so receive it whenever a loan is made for a less period than a year. This will be evident from the following table which shows the improvement in one year at 6 per cent. per annum of a capital of 1 dollar or other unitary coin at simple interest as it is termed, when it is turned over successively immediately for all the periods less than a year, specified below. When the period is for a year there is of course a conformity with the legal rate. As this table is only for illustration, the year is taken as if it were 360 days; and the computation is for the net days specified.

Periods of Improv't in Days.	Amount improved at the end of the year.	Formula for Simple Interest.	Amount of Principal and Continuous Inter- est at the end of the Period.
360 days	1,06	$\frac{1}{1,06}$	1,06
180	1,0609	$\frac{2}{1,03}$	1,029563
120	1,061208	$\frac{3}{1,02}$	1,019613
90	1,061364	$\frac{4}{1,015}$	1,014674
60	1,061521	$\frac{6}{1,010}$	1,009759
30	1,061678	$\frac{12}{1,005}$	1,004968
20	1,061731	$\frac{18}{1,003\frac{1}{2}}$	1,003242
10	1,061783	$\frac{36}{1,001\frac{1}{2}}$	1,001620

The second column of this table shews the want of uniformity in the amount of annual interest accruing upon a constant capital placed at various periods, according to the ordinary computation. Thus the annual interest, which if placed for a year is 6 per centum, becomes, when the capital is lent from four to four months, nearly  $6\frac{1}{2}$  per centum; if placed from month to month, the annual interest is more than  $6\frac{1}{2}$  per cent. The next column is given to indicate the form of computation for the preceding; and to shew that what is usually termed *simple* interest, is in fact *compounded* upon both principal and the periodical interest. The last column shews the aggregate of principal and interest at the end of each corresponding period, when the interest is continually converted into principal as it arises, at a constant rate, for any term however long or short, of 6 per cent. per annum. To this kind of computation the name of *compound* interest has been usually given; it should rather be called *continuous interest*. The true compound interest or interest upon interest directly, occurs in the habitual method as shewn in the third column. It is hardly necessary to repeat that while this last goes on in an augmenting annual rate according to the frequency of re-investment; the other maintains its rate constant, no matter how



frequently or how seldom the loan is renewed; were there a fresh placement every hour in the day and night (or 8766 renewals in the course of the year,) the capital that was 100 at the beginning could be only 106 at the end of the year. So the aggregate, which at the expiration of 10 days was  $100,16\frac{2}{5}$ , very nearly, after 17 renewals for a similar period will become only  $102,95\frac{1}{2}$  nearly; and so on.

The augmentation in the rate of interest, which, as has been seen, takes place according to the other method of compounding and which goes on increasing, has nevertheless, as might be supposed, a maximum limit which it cannot transcend. In fact, this limit occurs when the period of placement is infinitely small; the amount improved becomes then 1,061837, very nearly, or what is the same thing the annuity of the interest reaches  $6\frac{3}{8}$  per cent. nearly. Of course when the period for improvement becomes actually zero, the improvement itself is nothing, and its amount, null.\*

Such then are the principal indications shewing the systematic frustration of the intent of the law in the habitual mode of computing interest. It is not necessary to dwell on the practice of requiring interest to be paid in advance nor to exhibit its numerical results; it will be admitted that it conduces to a gain for the lender which, however justified by usage, is not countenanced by the law. It is true that this practice has come to be disguised, (however unconsciously) under another name, that of *discount*; and, in so far, is still another deviation from original acceptations. Discount, as the word at first signified among the people from whom we have borrowed it, and as still understood by Cambists, is a deduction made from a principal sum, either, 1<sup>o</sup> in exchanges, to equalize different sorts of money between two parties, respectively; or, 2<sup>o</sup> in re-payments, when a loan is returned before the stipulated period. In the first case, the rate is for convenience reckoned at so much per cent. upon one or the other kind of money in question. According as the better or worse money is regarded as the standard of comparison, it bears the name of *agio* or *discount*. But in no degree has it any relation with *interest*; for it has nothing to do with the use of money or as loan. In the second case, a creditor may, according to circumstances, allow more or less in order to regain possession at once of money lent for a period yet to elapse. This is analogous to the allowance for cash payment (technically, the *rebate*) made in the purchase of articles usually sold on a credit. But it is evident that all such allowances are irrespective of Interest properly so understood.

\* It is to a case of this sort that the properties of logarithmic curves find their application; which Milne, for instance, and others have erroneously attributed to the case of continuous or, as it is sometimes called, *incessant* interest. The limit given in the text is very readily found by transferring the number representing the annual rate of interest from the ordinary series of logarithms, whose modulus (or the subtangent of the curve) is 0,43429 etc. to that in which the modulus is 1. This last is the Napierian or (as it is very often, but improperly, called) the hyperbolic system; whose first term, when the differential is infinitely small, is of the same form with the differential of the expression for interest. But it does not apply to the case of continuous interest; whose expression  $1 + r^n$ ; analogous to  $x^n$  becomes, when  $n = 0$ ,  $x^0 = 1$ ; i. e. a constant quantity; in other words, when there is no period of placement, the principal remains constant, which is exactly what would be concluded without the aid of mathematical apparatus.

## RESUMPTION IN MARYLAND.

The following correspondence has been published in the daily papers of Baltimore. It will demonstrate the influence exerted by Mr. Speed and Mr. Peabody in bringing about a resumption of payment on its public debt by Maryland.

*Letter from Gov. Thomas to J. J. Speed, Esq.*

STATE DEPARTMENT,  
Annapolis, 20th October, 1848. } *de*

My Dear Sir:—You were good enough, at my request, to consent to take charge of the resolutions of the General Assembly, referring, in complimentary terms, to the conduct of Mr. George Peabody, in connexion with the public debt of the State, and to forward them as soon as received, by some safe conveyance to London. I have now the pleasure to place in your hands, these resolutions, together with a letter from myself, drawn in such terms as I conceived to be appropriate, and in conformity to what I suppose was the intention of the Legislature as expressed in the last of the resolutions. I also herewith inclose, copies of both these papers, to be used as you may think proper. For your kindness in undertaking to cause them to be transmitted, you will be pleased to accept my thanks.

I am, dear sir, your obliged and ob't serv't,      PHILIP F. THOMAS.  
J. J. SPEED, Esq.

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*Resolutions of the Legislature of Maryland.*

BY THE HOUSE OF DELEGATES, *March 7th, 1848.*

Whereas, Mr. George Peabody, a citizen of Maryland, now resident of London, was appointed one of three Commissioners, under the act of Assembly, of eighteen hundred and thirty-five, to negotiate a loan for this State, and after performing the duties assigned to him, refused to apply for the compensation allowed by the provisions of that act, because he was unwilling to add to the burthens of the State, at a time when she was overwhelmed with the weight of her obligations; And whereas, since the credit of the State has been restored, he has voluntarily relinquished all claim for the compensation due to him for his services, expressing himself fully paid by the gratification of seeing the State freed from reproach in the eyes of the world.

Be it unanimously resolved by the General Assembly of Maryland, That the record of such disinterested zeal, is higher praise than any that eloquence could bestow, and that this Legislature is therefore content with tendering the thanks of this State to Mr. Peabody, for his generous devotion to the interests and honor of Maryland.

And further resolved, That the Governor of this State be requested to transmit these Resolutions to Mr. Peabody, in such manner as he may deem most appropriate. By order,      GEO. G. BREWER, *Clerk.*

BY THE SENATE, *March 8th, 1848.*

Read and assented to. By order,      JOS. H. NICHOLSON, *Clerk.*

True copy—Test,

RICH'D W. GILL, *Clerk Court of Appeals, W. S.*

*Letter from Gov. Thomas to Mr. Peabody.*

STATE DEPARTMENT, *Annapolis, Md., Oct. 20th, 1848.*

Sir—I have the honor herewith to transmit the inclosed preamble and resolutions, passed unanimously by the General Assembly, at its last session, tendering the thanks of the State for the generous and patriotic interest manifested by you in the restoration of the public credit, at a time when Maryland, in common with many of the other States of the Union, yielding to the weight of her financial embarrassments, was compelled, temporarily, to suspend payment upon both her foreign and domestic debt; and more especially, for your disinterestedness in relinquishing all claims to compensation for services rendered, and to which, upon every principle of law and justice, you were fairly entitled. Instances of such devotion on the part of a citizen, to the public welfare, are of rare occurrence, and merit the highest distinctions which a commonwealth can bestow. To one whose actions are the result of impulses so noble and self-sacrificing, next to the approval of his own conscience, no homage can be more acceptable than the meed of a people's gratitude, no recompense so grateful as the assurance of the complete realization of those objects and ends whose attainment has been regarded as of higher value than mere personal convenience or pecuniary consideration. The Legislature, in the passage of these resolutions, has not misconceived the sentiments of its constituents.

The people of Maryland are proverbially magnanimous and patriotic, sensitively alive to whatever concerns their private or public honor, and profoundly grateful to all by whom one or the other has been vindicated or sustained. Exempt as they had always been, except for a single year and for a limited amount, from direct contributions to the Treasury, and unexpectedly overwhelmed with an enormous debt, it is not wonderful that delays and difficulties should have been encountered both in maturing and enforcing the necessarily complex details of any system of taxation at all adequate to meet the annually accruing interest, and ultimately to extinguish the principal of her public obligations.

The work of restoring the credit of Maryland, beset as it was with embarrassments, and unaided by the light of experience, was, nevertheless, undertaken with a zeal commensurate with the importance of maintaining, unsullied, the plighted faith of the State, and with a decision and energy calculated to ensure success. By the act of December session, 1846, chap. 238, the Treasurer was directed to resume payment of the current interest on the public debt on the first day of January, eighteen hundred and forty-eight. By the same law, the commissioner of loans was authorised at any time after the first day of October, eighteen hundred and forty-seven, upon the delivery to him of the coupons and certificates of interest due and unpaid upon the public debt, to issue to the holder or holders thereof the bond or bonds of the State, for the amount of such coupons or certificates, redeemable at the pleasure of the State, bearing an interest at the rate of six per centum per annum from the first day of October, eighteen hundred and forty-seven, and payable, annually, at the Loan office in Maryland.

The effect of this latter provision of law was to convert into principal, the entire amount of the interest on the main debt of the State which remained unpaid, and thereby to add to the burdens of the people an



additional annual charge for interest, at the rate of six per centum per annum, upon a sum not far short of a million of dollars. The first day of the present month, was the period at which, under the operation of the law, payment of the interest, upon the new funded debt, was to commence. On the same day a quarter's interest on the main debt, payable at the Loan office, and also the semi-annual interest, payable in London on the first day of January next, were likewise falling due. That day, of course, formed a crisis in the financial affairs of Maryland, and presented a fair test of the ability of the Treasury to discharge, in full, all the engagements of the State.

I have purposely delayed the communication of the inclosed resolutions until the period above referred to had passed by, believing that I could render you no more acceptable service than by accompanying their transmission with the intelligence of the entire success with which the efforts to restore the credit of the State have been crowned. It is my privilege to inform you, that the liabilities of the State, payable on the first of October, have been promptly met without the slightest inconvenience to the Treasury; and that, after payment of the quarter's interest then due, of the sterling interest due on the first of next January, and the interest on the funded arrears, there remained a surplus, which is every day increasing, much more than sufficient to cover the balance of the January instalment, payable at the Loan office in Baltimore. The credit of Maryland is thus fully restored, her public honor redeemed, every suspicion of bad faith removed, and no reasonable doubt remains as to her ability to maintain the proud and elevated position which she now occupies.

To you, sir, who have had no inconsiderable agency in the accomplishment of this gratifying result, the thanks of the State were eminently due. The action of the General Assembly reflects faithfully the feelings of gratitude which your generous devotion to the interest of the State has awakened in the bosom of every good citizen of Maryland; and while I am happy in having been made the organ of communicating this well-merited tribute to your public and private virtue, I avail myself of the opportunity which the occasion affords to assure you, that the sentiments embodied in these resolutions have commanded my most hearty and cordial concurrence.

I have the honor to be, with great respect, your obedient servant,

PHILIP F. THOMAS.

GEORGE PEABODY, Esq., *London.*

*Letter from Mr. Speed to George Peabody, Esq.*

BALTIMORE, *November 13th, 1848.*

My dear Sir—The Governor of Maryland, referring, I presume, to my late correspondence with you on several public topics, has chosen to make me the instrument of transmitting to you the Resolutions of the Legislature, passed at its late session, tendering you the thanks of the Government, for your effective zeal and prominent agency in upholding the honor of the State, in its late afflictions, in a foreign land, and in presenting its integrity in true lights to foreign minds. When you reflect that these resolutions convey the thanks of a sovereign State—

one of those that laid the foundation of this Republic—for services rendered her reputation abroad, you will not fail to prize the distinction, but will, I know, regard it with the emotion it is so well calculated to awaken. In social life, we are often assured, there is no higher impulse than that which prompts us to shield from accusation the good name of an absent friend, and the charities of our nature are never more beautifully displayed than when employed in covering the blemishes of those with whom we are connected by kindred ties; but the love of country is a nobler passion, the impulses of patriotism are nobler emotions, and what prouder political duty can the citizen discharge than that of upholding, in a foreign land, the good name of his country till truth shall come to rescue its impugned reputation. I must confess I should covet it before the lustre of arms, the achievements of war, the triumphs of ambition, or any of the more captivating successes of genius. And it is your felicity, sir, to be in the position I thus contemplate; and your happiness, moreover, to be assured that your country fully appreciates your services. In this instance, most certainly, the Resolutions of the Legislature fulfil the theory of Representative Assemblies—they give true utterance to the popular voice, and true expression to the popular sentiment. And I need scarcely refer to the perfect unison that exists between the sentiments of the Legislature and those of the Governor in regard to your services. His Excellency's letter to you, with a copy of which he has honored me, speaks very fully for itself on this head.

Repudiation is stricken down in Maryland, and will continue motionless. In other parts of the confederacy, it is sinking back into those gloomy abodes of bad minds and vulgar breasts where it was engendered, and which, as harbors and refuges of vice, unhappily for mankind, exist in all countries. Their great monitor, after all, is a sound public sense; and this is awakened in Maryland in its most formidable power. I am happy to report to you that our revenue laws are even more effective and fruitful than we had hoped for them. The amounts returned into the Treasury and the steadiness of the collections, have gone beyond the public expectation. This, while it denotes diligence and fidelity in the administration of the laws, proves also that which is before all and above all end our chiefest pride—a devoted willingness on the part of the tax payer. It is not the Government that is paying this debt, it is the noble hearted people of Maryland. They, themselves, have spontaneously enacted the laws under which these great contributions are drawn into the Treasury; and their willing response to the tax gatherer at their doors, carries out in practice the enlightened and just spirit of their legislation. Permit me, in conclusion, to assure you of the gratification it has afforded me to have been selected as the medium of a communication so creditable to the Legislature and honorable to yourself.—The spirit that has prompted these Resolutions is worthy of the enviable relation in which you stand to us; and I feel a pride in believing that, disinterested and generous as have been your efforts, they have been most fully met by the sensibility they have excited, and the just appreciation in which they are held by every citizen of Maryland.

I pray you to believe me, as always, very faithfully, yours,

J. J. SPEED.

GEORGE PEABODY, Esq., *London.*

## PRINCIPLES OF LIFE INSURANCE.

From Chambers' Edinburgh Journal.

*Mutual and Proprietary Life-Assurance.*

Life-assurance being a subject of great and growing interest to the public, we deem it not superfluous to make a few remarks on the comparative merits of the two modes—the mutual and proprietary—which now contend for notice.

The Proprietary System is that of oldest standing. Life-assurance was first (speaking generally) practised by joint-stock companies advancing money to sustain the risks of business, and looking for a profit on the capital risked. And this plan was very suitable at the time, for, with the defective means of calculation which then existed, life-assurance business was as much a matter of speculation as would be a transaction in hops or foreign wheat at the present day. But afterwards, when tables of mortality were formed, and the decrement of human life came to be reduced to a simple mathematical problem, it was seen that life-assurance might be conducted by mere societies of the persons assuring, whose payments should form the fund for discharging the emerging claims, and who should appropriate to themselves any surplus which might arise after all such claims were satisfied—that is to say, receive back what, in a company, would be distributed amongst the shareholders as profits. The plan of Mutual Assurance, as this last is called, has within the last thirty years made a considerable advance upon the older proprietary system; yet the great bulk of the life-assurance business of the country is still transacted in proprietary offices, the numbers of which are as more than three to one of the mutual offices.

After a careful examination of the two plans, with some benefit from practical experience, we do not hesitate to declare our conviction that the mutual system is the only one which the public at large are concerned to support. The proprietary system, originating only by favor of the darkness in which the subject was at first buried, could only, it appears to us, have since been supported by the efforts of interested individuals. It is perhaps to be considered by mercantile men as a legitimate mode of making money; but, examined more rigidly, and by persons like ourselves, perfectly disinterested, it seems by no means a blameless one. To illustrate this, let us see how a life-assurance company generally proceeds. A set of speculators start it with a large apportion of capital, of which only a few thousand pounds need be paid up. By means of a handsome-looking office, incessant advertising, and active managers and agents, business is obtained. After a few years, this has generally increased considerably, and large dividends begin to be made amongst the shareholders. In one instance under our immediate notice, ten thousand pounds of paid-up capital now stands, after seventeen years' business, at the value of £70,000, in the stock-market, being £600 per cent. of premium. What is it that has thus so much increased its value? Only those surplusages of payment by the public which, in a mutual

office, would all come back to the assured. Generally, it is to be remarked, proprietary offices, besides their usual scales of rates, where as in death's own list, there is no return, have a scale where the payments are somewhat higher, and the assured are to have periodical bonuses as in the mutual system; a concession much like the celebrated one which vice is said to pay to virtue. But here the benefits sink far below what are to be usually obtained from a respectable mutual office; as they well may, seeing that the company looks for a profit to itself, which is just so much abstracted from the pockets of the assured without any equivalent. Were we to draw out tables contrasting the sums which individuals will realise in a course of years under the mutual system, with those which the same payments will obtain under the proprietary or trading system, even where shares of 'profits' are professedly divided among the assured, our readers would be startled at the difference of results. It would appear almost incomprehensible that the proprietary system should have contrived to exist so long, when a rival plan, free from all selfish principle, and securing to the public the utmost possible advantages, was daily contending with it for public favor. This, however, is no real mystery, when we consider the ignorance of most persons on the subject of life-assurance, and what a powerful interest is concerned in maintaining the repute of the proprietary system, and bringing business to its bureaux.

The leading pretext of the proprietary system is, that the subscribed capital affords a guarantee or security for the payment of claims which the mutual system lacks, and that the assured is thus compensated in safety for what he wants in money. But the hollowness of this pleading is seen in a moment, when we consider that a combination of assurers, each paying fully what science says is necessary to make good their mutual engagements, is a transaction free from all risk, in the ordinary sense of the word, and only can fail in the event of a change in the laws of nature, or such an alteration in the condition of the country (affecting the value of money) as no kind of security would gainstand. Attempts have been made to liken the case of a life-assurance company to a bank of deposit, and to make out from that analogy that a stock is necessary for the security of the assurers. But the cases are totally diverse, seeing that the assurance company has not, like a bank, to trade with its deposits, but only to lay them out to the best advantage in permanent investments, and thus hold them till they fall in the due course of time to be returned. A bank which appropriated to itself half the ordinary rate of interest for deposits, on the pretence of its having a few thousand pounds of stock to afford a security, would be in strict analogy, but no other. In fact, the capital is a mere stalking-horse: there is no instance of its ever being called into requisition. Were such an instance to occur, it would probably prove a mere trifle in comparison with the extent of the obligations. We may go farther, and say that this capital is not only unnecessary, in consequence of the unavoidable formation of large funds from the mere payments of the assured, but, if on a large scale, it would be a positive disadvantage, as, if there is any real difficulty in the conducting of life-assurance business, it is in the disposal of the funds. Capital for life-assurance can at the

most only be needed at first, while the accumulated premiums of the assured are of slender amount; but admitting that it is ever so needed, it almost immediately becomes superfluous, and should be therefore withdrawn. There is an instance of an office commenced on the proprietary system, with an arrangement for the gradual buying up of the shareholders, which is now effected, so that the office, after twenty years' existence, has made a transition to the mutual system. This is so far laudable: only there was no need for the shareholders drawing profits for so long as twenty years, or for their being allowed at last to get double the original price of their shares. Beyond a very short time, at the most, the capital of a life-assurance company, as far as it is a reality at all, only serves—and this purpose it serves very well—to justify a small set of men in appropriating to themselves funds properly due to others. As might be expected, the means taken for obtaining business by the proprietary offices is not, in general, of a very scrupulous nature. They make extensive use of the system of commission—that is, large and tempting allowances to solicitors and others to induce them to bring their friends or clients to these instead of any other offices. Some men have almost an income secured to them by the allowances they are entitled to in consequence of having taken a few customers to some of the more liberal class of offices, such allowances being, as we have elsewhere shown,\* neither more nor less than a bribe to induce a man of business to betray the interests of those who confide in him. Such a use of funds, however reprehensible it may be on moral grounds, is justified on pecuniary considerations to the shareholders, if it only leaves themselves a profit, seeing that they have no other object to look to. Very different is the case of the mutual offices, where money so employed would be a subtraction from funds properly belonging to the whole circle of the assured.†

In fine, the system of mutual assurance—pure and undefiled—is that which the public should, for its own sake, and partly for the sake of morality also, support. It is an institution contemplating unmixed good to mankind, and where no grosser interests than those of a few officials can possibly be concerned. Conducted on a large scale, and upon a proper footing, it involves no risk, and at the same time, from the system of divisions of surplus, the charges must be held as reduced to a perfect square with the necessities of the case, excepting only the expenses of management. Contrasted with this, the proprietary system cannot for a moment be defended—a business pretending to incur risks, and drawing all the profits which can only be due where risks are real—a business which can only thrive in the proportion in which it puts on imposing appearances.

\*See article entitled 'A Dishonesty in a High Walk.'

†We do not look upon this item of expenditure, by an Insurance Company, as improper. It is one of the necessary means for bringing the system of life insurance before the community. It is an advantage both to the company and to society at large—and every policy issued in consequence of such bonus or commission, is a general benefit. This expense, like that of advertising, is inseparable from the business; it is, in fact, nothing more than a salary to an officer.—[E. B. M.]



## LEGAL MISCELLANY.

Cases decided in the Courts of Connecticut, Pennsylvania and New York, 1847.

*Foreign Law.*

Where a bill was drawn, accepted and transferred in the State of New York, the acceptance of which was obtained by fraud, and without consideration, but the holder took it *bona fide*, without any knowledge of the fraud; in an action on such bill, brought in this State, against the acceptor, it was held: 1. That the rule of damages was to be in conformity with the law of New York. 2. That by the law of that State, the plaintiff was entitled to recover all that he had *actually paid* for the bill, but nothing more.—*Roe v. Jerome*, Connecticut Reports, vol. 18, p. 138.

*Bank Shares.*

Where B. being liable to the Stamford Bank as endorser of two promissory notes held by that institution as security for such liability, transferred twenty shares of its stock, on the books of the bank to "E. Hill, Cashier," who was in fact the cashier at that time; and it appeared that assignments and transfers of the stock of this bank, to the bank, or in pledge to it, or as security for debts and liabilities to it, were invariably, by the usage of the bank, made in the same manner as the transfer in question: it was held that such transfer vested the legal title to the shares so transferred, not in *Hill* in his own right, but in the bank. (Two judges dissenting.)—*The Stamford Bank v. Ferris*, Connecticut Reports, vol. 17, p. 259.

*Banking.*

1. The sixth section of the title of the revised statutes relative to unauthorized banking, applies to foreign as well as domestic corporations. And foreign corporations are still prohibited from keeping any office in this State for the purpose of receiving deposits, or for discounting notes or bills.—*Taylor v. Bruen*, Barbour's New York Chancery Reports, vol. 2, p. 301.

2. Where such a corporation authorizes one of its officers or an agent, to attend from time to time at certain known places in this State, for the purpose of receiving deposits, or for the purpose of discounting notes or bills, with the funds of the corporation, and for its benefit. Such known places of attendance are to be considered as offices of discount and deposit of the corporation, illegally kept for the purposes prohibited by the statute.—*Ibid.*

3. And the officer or agent of a foreign corporation, who thus carries on the business of discounting notes and bills in this State, with the funds of such corporation, and for its benefit, renders himself personally liable to the penalties prescribed by the 7th section of the act relative to unauthorized banking.—*Ibid.*

4. He cannot therefore be compelled to make a discovery of such

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violation of the statute, to aid the defence in a suit at law, brought in his own name, upon a note thus discounted by him as the officer or agent of a foreign corporation.—*Ibid.*

#### *Banks.*

1. The lien which a bank has, by virtue of the act of the 21st of March, 1814, and the act of the 25th of March, 1824, upon the stock and dividends of its debtor, results for the benefit of an endorser, who has been compelled to pay the bank, and who, at the time of payment, gives notice that he claims the stock and dividends.—*Farmers' Bank v. Gilson*, Barr's Pennsylvania Supreme Court Reports, vol. 6, p. 51.

2. The endorser in such cases may recover from the bank the dividends that may have been declared and retained in an action for money had and received.—*Ibid.*

3. But if more than six years have elapsed between the time at which the note became due and payable, and the commencement of the action, he cannot recover; the meritorious case of action being barred by statutes of limitations.—*Ibid.*

4. Articles of co-partnership between the endorser and drawer, under their hands and seals, reciting that the note was put in the partnership's concern as part of the drawer's share of contribution to the common stock, but in which there is no covenant to defend the endorser against the payment of the notes, will not prevent the operation of the statute of limitations.—*Ibid.*

#### *Bill of Exchange.*

**BILL OF EXCHANGE—FORGED ENDORSEMENT—LIABILITY OF PARTIES.**—One of two partners drew, in the name of his firm, a bill upon the plaintiff payable to the order of B., and having forged the name of B. as endorser upon the bill, presented it to the Bank of Central New York, had it discounted in the regular course of business, and applied the proceeds to his private use. The Cashier of the Bank endorsed the bill and transmitted it to the defendants for collection, and the plaintiff accepted and paid it to the defendants. After discovering that the payee's endorsement was forged, he sued to recover back the money so paid:—Held that the action could not be maintained.

B., the payee, being a stranger to the transaction, and having no interest in the draft, his endorsement was not necessary in order to transfer a good title to the party discounting the paper, or to entitle such party to receive the money upon it.

The plaintiff having accepted and paid the bill under these circumstances, would have a right to charge the amount against the funds of the drawers in his hands or, if there were none, to maintain an action against them for money paid to their use.

The case of the *The Canal Bank v. The Bank of Albany*, (1 Hill, 287,) commented upon and approved; but distinguished from this case, inasmuch as there, the endorser whose name was forged, was the owner of the draft and the only person entitled to receive the money upon it. *Per* BRONSON, J.



It seems that the drawers, after having passed the draft with the payee's name endorsed upon it and received the avails of it, in an action against them would be estopped from controverting the genuineness of the endorsement.

Where a bill is put in circulation by the *drawer* with the endorsement of the payee forged upon it, a *bona fide* holder may treat it as a bill payable to bearer. *Per* BRONSON, *J. Coggill v. The American Exchange Bank*, 1 Comstock's Rep. Court of Appeals, 113.—*New York Legal Observer*.

#### *Protest.*

The clerk of a notary presented a note for payment, and the note being dishonored, the clerk made a statement of the fact to the notary, who thereupon protested the note.

**HELD**—That the protest could not be made on the information of a clerk, and that the notary must present the note in person.

This was an action brought by the plaintiff to recover of the defendants the amount of a promissory note of which the defendants were respectively the maker and first endorser, the plaintiff being the second endorser and holder.

To prove the notice of dishonor, the plaintiff called a witness who deposed that he was the clerk of the notary by whom the note was protested, that he (witness) had presented the note to the defendant, the maker, for payment, and that it was dishonored, and that he had given notice of the dishonor to the other defendant, the first endorser; that he (witness) had informed his employer, the notary, of these facts, and that thereupon the notary had protested the note in his own name.

**SMITH, Judge**—I am of opinion that the protest of the note in this case is insufficient. I think a notary cannot protest a note presented by another person: he must present the note in person, and cannot act upon the information of a clerk or any third party. The authority and duties of a notary are of a special, limited and confidential nature, and he has no power to delegate his authority to another, or appoint another to perform his duties.—*Before the Marine Court N. Y., The Code Rep.*

#### *Bill of Exchange—Special Indorsement.*

Where a Bill of Exchange indorsed in blank is afterwards indorsed specially, the subsequent special indorsement cannot restrain the negotiability of the instrument.

A presentment for payment by any indorsee, or person claiming under him, is sufficient, and need not be by a person claiming under the special indorser.

This was an action by the special indorsee of a bill of exchange against the defendant, who specially indorsed it. The bill of exchange was drawn by Edwin Bliss upon and accepted by John Williams, who indorsed it generally, and after several blank indorsements, the defendant indorsed it specially as follows: "Pay Barber, Walker and Co. or order, W. M'Donnell." The latter firm were also known by the name of the Eastwood Company, and the bill was indorsed by them as follows: "Pp of the Eastwood Company, Thos. Goodwill." The bill when due was presented to Jones, Lloyd and Co., and the answer ob-

tained was "no advice." Notice of dishonor was then given to the defendant, and this action commenced.

The question was, whether the presentment by a person not appearing to claim under the special indorser was a good presentment. *Cur. adv. vult.*

## JUDGMENT.

*Wednesday, June 7.*—POLLOCK, C. B.—This was an action on a bill of exchange, brought against the defendant, who specially indorsed it. The bill had been previously indorsed generally in what is generally called a blank indorsement, and was therefore, in point of fact, payable to bearer. It was decided in the case of *Smith v. Clark*, 1 Peake's Nisi Prius Cases, 295, which, as far as I am aware, has been acted upon by the profession ever since, and has been the understood law on bills of exchange, so far as I know, universally accepted in Westminster-hall from the time of that case, that when a bill has become negotiable, payable to bearer, in that way, no other person can afterwards restrain the negotiability. In the present case the bill having been specially indorsed to the plaintiffs, they indorsed it, but in the name of another firm which they equally bore, but which certainly did not correspond with the name in which the bill was indorsed. The bill was subsequently presented for payment at Messrs. Jones, Lloyd and Co's, and the answer given was simply—"no advice." Upon this due notice of the dishonor of the bill, that is, that it had been presented and not been paid, was given to the defendant, and then the present action was brought. The pleas are, first, a denial of the indorsement. There is no doubt that the indorsement, as averred in the declaration, was proved; therefore, that plea furnishes no defence. There was a denial of the notice of dishonor. It was clearly proved that the notice of dishonor was given, therefore that is no defence. If there be any defence it could only arise upon the other plea, which is the third plea, namely, a denial of the presentment of the bill for payment, and that really is the true question in the cause; and I think it was rightly stated by the Bench, and admitted by the Bar, that the true question is, was this bill duly presented for payment? Then the question is, perhaps, was the acceptor bound to pay the bill upon that presentment? We are all of opinion clearly that he was so bound. And on referring to the cases, especially to the case of *Leonard v. Wilson*, which was decided at the time Lord Lyndhurst presided in this Court, we find that that case is precisely in point. It is very true that there the action was brought against the Bank of Liverpool who had indorsed it previously to the indorsement which gave rise to the difficulty in that case. But it was well argued by Mr. Crompton on that occasion, that if the party had paid the bill in his own wrong, he could not, by paying money he was not bound to pay, obtain a title to sue the then defendant. Therefore that case necessarily involved, and so the Court considered, the question which is before the Court on the present occasion. The judges all there unanimously gave their opinion that the plaintiff was entitled to recover; and I think my brother Alderson has suggested in terms very clearly what is the solution of the difficulty. It is in substance precisely what was stated

by the Bench yesterday—namely, what is the contract or liability that the indorser of such a bill takes upon himself? It is this —“ I promise to pay the bill to any one who can claim through my special indorsement, provided the acceptor fails to pay the bill to any person who has a right to demand it.” And if you look prospectively into the consequences of the decision one way or the other, which Mr. Bovill pressed upon us at the close of his argument—not at all improperly, I think—it will be discovered that to the special indorser, under such circumstances, it can make no difference whatever who presents the bill, whether it be a person under his indorsement, or under any other indorsement—because, if the bill is paid, there is an end of the question one way; if the bill is dishonored, there is equally an end of the question another way. And with reference to what Mr. Bovill pressed upon us at the close of his argument, it certainly would be extremely inconvenient, as Mr. Crompton observed yesterday, if there were two sorts of presentment, one that was to bind, or to render liable, a certain class of indorsers, and another that was to bind or render liable another class. It would be extremely inconvenient, as it appears to us, in the arrangements of commerce, if there were recognised in courts of law two descriptions of presentment. Upon the authority of the case, therefore decided in this court, and indeed I should observe for myself, from the concurrent opinion which, as far as I know, has always been held universally in Westminster-hall on this matter, ever since I have had anything to do with the profession, we think that the plaintiff is entitled to recover, and that our judgment must be for the plaintiff. I am stating not only the opinion of all the Court who heard the argument, but of my brother Parke, who tried the cause. None of us entertain any doubt on the subject. From the clearness of the case, the total absence of all doubt, and the amount also of the sum in dispute, the whole of which probably would be absorbed by any further litigation, we think that there ought to be judgment for the plaintiff.—*Walker and others v. M'Donnell, Court of Exchequer, 1848. Judgment for the plaintiff.*

[The above is a verbatim report of the judgment. ED. C. R.]—*Ibid*

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**EMBEZZLEMENT.**—If a person whose duty it is to receive money for his employer, receive money and render a true account of all money he has received, he is not guilty of embezzlement if he absconds and does not pay over the money; but if he had received the money, and had rendered an account in which it was omitted, this would be evidence to show that he had embezzled the amount. The collector of a water company, as was his practice, gave the prisoner, who was the turncock, three receipts for water rents, desiring him to receive the amounts. On a subsequent day, the collector asked the prisoner if he had received the amounts, when he said that he had, and would pay them over on the following Monday; instead of which he absconded. Held, no embezzlement.—*Reg v. Creed, 1 C. & K. 63.*

## THE ICE TRADE OF THE UNITED STATES.

BY N. J. WYETH, Esq.

From the American Almanac, 1849.

[We extract the following article from the American Almanac for 1849—a work which for value and usefulness cannot be priced. It is sent free of postage for one dollar; and our friends in the country, we sincerely assure them, cannot lay out a like sum where so large an amount of intellectual profit can be derived.]

The ice trade of the United States was commenced by Frederic Tudor, of Boston, in 1805. This gentleman, having previously sent agents to the West Indies to procure information, determined to make his first experiment in that region. Finding no one willing to receive so strange an article on shipboard, he was compelled to purchase a vessel, the brig *Favorite*, of about 130 tons, which he loaded with ice from a pond in Saugus belonging to his father, and sent to St. Pierre, Martinique.

This first enterprise resulted in a loss of about \$4,500, but was, nevertheless followed up until the embargo and war put an end to the foreign trade, at which period it had yielded no profit to its projector. Its operations had been confined to Martinique and Jamaica. After the close of the war in 1815, Mr. Tudor recommenced his operations by shipments to Havana under a contract with the government of Cuba, which enabled him to pursue his undertaking without loss, and extend it, in 1817, to Charleston, S. C.; in the following year to Savannah, Ga.; and in 1820 to New Orleans. In the meantime it had been tried again (by other parties) at Martinique and St. Thomas, and failed, and by Mr. Tudor, at St. Jago de Cuba, where it also failed, after a trial of three years.

On the 18th May, 1833, the first shipment of ice was made to the East Indies, by Mr. Tudor, in the ship *Tuscany* for Calcutta, and since that period he has extended his operations to Madras and Bombay.

Previously to 1832, the trade had been chiefly confined to the operations of the original projector, although several enterprises had been undertaken by other persons and abandoned. The increase of shipments to this period had been small, the whole amounting, in 1832, to 4,352 tons, which was taken entirely from Fresh Pond, in Cambridge, and shipped by Mr. Tudor, who was then alone in the trade. Up to this time the ice business was of a very complicated nature. Ship owners objected to receive it on freight, fearing its effect on the durability of their vessels and the safety of voyages; ice-houses abroad and at home were required, and the proper mode of constructing them was to be ascertained. The best modes of preparing ships to receive cargoes were the subject of expensive and almost endless experiments. The machines to cut and prepare ice for shipping and storing, and to perform the operations of hoisting it into storehouses and lowering it into the holds of vessels, were all to be invented, involving much

expense and vexation. Many of these difficulties have now been overcome, and since 1832 the trade has increased much, and appears destined to a still more rapid increase for some years. It has also been divided among many parties, and its methods have been further improved, and a knowledge of them more widely diffused.

The ice has been chiefly taken from Fresh and Spy Ponds, and since 1841 mainly transported on the Charlestown Branch Railroad, which was constructed for that purpose. Quite recently, ice establishments have been made at most of the ponds near Boston, and it is probable that in a few years, the product of all these waters may be required to supply the trade. In the year 1839 the great quantity of ice cut at Fresh Pond, and the consequent difficulties which had arisen among the proprietors, as to where each should take ice, induced them to agree to distinct boundary lines, which were settled by three commissioners, viz: Simon Greenleaf, Levi Farwell, and S. M. Felton, Esquires, on the principle of giving to each the same proportion of contiguous surface of the lake, as the length of his shore-line was to its whole border. This settlement was made by partition deed, executed by all the owners, and recorded in the registry of deeds of Middlesex county. Published maps were also placed in public institutions and private hands. These maps show the direction and length of the boundary lines of each owner, and the area. This arrangement has been of great advantage to the parties, and enabled them to secure more ice than could otherwise be taken from a pond of equal extent.

The shipments of ice from Boston coastwise for the year ending Dec. 31st, 1847, amounted to 51,887 tons, and were made to the following places, viz: Philadelphia, Pa.; Baltimore, Md.; Georgetown and Washington, D. C.; Alexandria, Richmond, Petersburg, Portsmouth, Norfolk and Fredericksburg, Va.; Wilmington, Fayetteville, Washington and Elizabeth City, N. C.; Charleston and Beaufort, S. C.; Savannah, Macon and Augusta, Ga.; Mobile, Ala.; Columbus, Miss.; St. Marks, Key West, Pensacola, and Apalachicola, Fla.; New Orleans and Thibodauxville, La.; Galveston, Texas.

These shipments were made in ships, 49; barks, 39; brigs, 45; schooners, 125—making, in all, 258 vessels.

The ice shipped to foreign ports during the same period amounted to 22,591 tons, and was sent to the following places, viz: Havana, Matanzas, Trinidad, and St. Jago, Cuba; Martinique, St. Thomas, St. Johns and Mayagues, P. R.; Gaudaloupe, Barbadoes, Trinidad, Antigua, St. Vincent, Nassau, Jamaica, Pernambuco, Demarara, Honduras, Vera Cruz, Rio de Janeiro, Mauritius, Isle of Bourbon, Manilla, Calcutta, Madras, Bombay, Ceylon, Hong Kong, Whampoa, Batavia, Liverpool.

These shipments were made in ships, 21; barks, 24; brigs, 38; schooners, 12—making, in all, 95 vessels.

The freight paid during this year is supposed to have averaged as high as \$2 50 per ton, at which rate it would amount, on the 74,478 tons shipped abroad and coastwise, to \$186,195

There is a great variation in the cost of securing ice and stowing it on board vessels, caused by winters favorable or otherwise for securing it, and by the greater or less expense of

the fittings required for voyages of different duration, or by difference of season when the shipments are made. Taking all these contingencies into consideration, the cost of ice when stowed on board may be estimated to average \$2 per ton, which would give for the quantity shipped . . . . . 148,956

There were in 1847 upwards of 29 cargoes of provisions, fruits and vegetables, shipped in ice to ports where otherwise such articles could not be sent,—say to Barbadoes, Trinidad, Demarara, Antigua, St. Vincent, Gaudaloupe, St. Thomas, Honduras and Calcutta,—the invoiced cost of which at Boston would average about \$2,500 each, . . . . . 72,500

To these items may be added the profits of the trade to those engaged in it, . . . . . 100,000

Total returns, . . . . . \$507,651

It is probable that the commercial marine of the United States has been materially increased by the operations of the ice-trade. A large portion of the vessels formerly engaged in the freighting trade from Boston sailed in ballast, depending for remuneration on freights of cotton, rice, tobacco, sugar, &c., to be obtained in more Southern latitudes, often competing with the vessels of other nations which could earn a freight out and home. Now, a small outward freight from Boston can usually be obtained for the transportation of ice, to those places where freighting vessels ordinarily obtain cargoes.—The ice-trade has generally been unsuccessful to places where profitable return freights cannot be obtained, because to such places a heavy freight must be paid on the ice, which it cannot bear; and also because Southern places, which do not produce valuable exports, are usually unable to consume expensive luxuries.

The methods and materials for preparing vessels for the transportation of ice have been various. Formerly their holds were ceiled up at the sides, bottom and top, with boards nailed to joist ribs secured to the skin of the vessel, and with double bulkheads forward and aft.—The spaces thus formed were filled with refuse tan, rice-hulls, meadow-hay, straw, wood-shavings, or like materials. These spaces were made of a thickness proportionate to the length of the voyage, and with reference to the season. The immediate surface of the ice was covered with the same materials, excepting tan. At the present time sawdust is used almost exclusively for voyages of considerable length. It is placed immediately between the ice and the skin of the vessel. This material is obtained from the State of Maine, and before its use for this purpose was entirely wasted at the water-mills, and, falling into the streams, occasioned serious obstructions. During the year 1847, 4600 cords were brought to Boston, at an average value of \$2 50 per cord, delivered. The lumber is also wholly from the State of Maine. The value of it is, however, small, in the present mode of fitting vessels.

Almost the whole value of the returns of the ice-trade, including freight, are a gain to this country. The ice itself, the labor expended on it, the materials for its preservation, and the means of its transportation, would be worthless if the trade did not exist.

The prices at which ice sells in places where there is competition



vary constantly. In Havana, where it is a monopoly, it is sold at 6½ cents per pound, and there the trade has not increased since 1832, when the shipments were 1,112 tons; while at New Orleans, where it has been sold at from half a cent to three cents per pound, it has increased during the same period from 2,310 tons to upwards of 28,000. At Calcutta the trade commenced in 1833, with a shipment for that port of 201 tons, and the price has never been above 6 cents per pound, and is now about 2½ cents. The export to that place had increased in 1847 to 3,000 tons, but probably less than one-fifth of that quantity is actually sold, owing to the great length of the voyage.

The consumption of ice in Boston and its vicinity, during the year ending 31st Dec. 1847, was 27,000 tons, about two-thirds of which was transported to Charlestown on the Charlestown Branch Railroad, and thence distributed through that place and Boston. The remainder was sent direct from the ice-houses, on wagons, to the place of ultimate delivery. Twenty two two-horse and forty four one-horse wagons were employed in the delivery of this ice, for a time, probably, equal to 4½ months, at an expense for two-horse wagons of \$4 per day, including drivers and tons, or for 22 wagons, . . . . . \$11,880

And for 44 one-horse wagons, at \$2 75 per day, for the same period, . . . . . 16,335

The cost of putting up and securing ice varies essentially with the character of the seasons, but must average, with the rent of the buildings in which it is stored, and the rent of "ice privileges" from which it is taken, and the waste which unavoidably occurs, as much as 55 cents per ton, or, for 27,000 tons, 17,550

To which should be added the transportation by railroad of 18,000 tons, say average 50 cts per ton, . . . . . 9,000

Total cost, . . . . . \$54,765

It is retailed at prices varying as the quantities delivered are larger or smaller. It is supposed to average about 13½ cents per hundred pounds, or for 27,000 tons \$72,000, leaving a profit of \$18,135, to be divided among the seven principal ice-dealers.

Ice being shipped and used at all seasons, large storehouses are required to preserve it. Exclusive of ice-houses on the wharves at Charlestown and East Boston, in which ice is stored for short periods, there had been erected in 1847, and previously :

At Fresh Pond, in Cambridge, ice-houses capable of containing . . .	86,732 tons.
At Spy Pond, in West Cambridge, . . . . .	28,000 "
At Little Pond, Cambridge, . . . . .	2,400 "
At Wenham Pond, . . . . .	13,000 "
At Medford Pond, . . . . .	4,000 "
At Eel Pond, in Malden, . . . . .	2,000 "
At Horn Pond, in Woburn, . . . . .	4,000 "
At Semmer's Pond, . . . . .	1,200 "

Total, . . . . . 141,332 tons.

The ice-houses now in use are built above ground. In southern countries, where ice is most valuable, they are constructed at greater



expense, usually of brick or stone, and the protection to the ice consists in air spaces, or in dry, light vegetable substances inclosed between two walls. In this vicinity, on the borders of the lakes, where ice is least valuable, they are usually built of wood, in which case they are of two walls, formed by placing two ranges of joist upright, framed into plates at the top, and placed in the ground at the bottom, or framed into sills; these two ranges are ceiled with boards secured to that side of each range which is nearest the other, and the space between the two boardings filled with refuse tan, wet from the yards. This wet tan is frozen during the winter, and until it is thawed in the spring and summer, little waste occurs; afterward the waste is more rapid, but as a large portion of the ice is shipped or otherwise used before this takes place, the loss in quantity is small, and, occurring before the expenses of transportation have been paid, is of less pecuniary moment.

In one instance, brick has been used in the construction of an ice-house which covers 36,000 feet of land, and the vaults of the ice-house are forty feet in depth, and its walls are four feet thick from outside to inside, inclosing two sets of air-spaces. Such a construction is more costly, but has the advantage of durability and safety from fire, to which ice-houses are much exposed from the frequent juxtaposition of railroad engines, and the light, dry, materials used about them to cover and otherwise preserve ice.

In the winter of 1847 about \$650 were paid daily for the labor of men, and \$230 for that of horses, when the weather was most favorable for cutting ice. Such activity is, however, of short duration, as there are not generally more than twenty days in a season which are really favorable to the operation of securing ice. The price paid is usually one dollar per day for horses and men.

At first, the implements of husbandry only were used in securing ice, but as the trade became more important, other machines and different methods were adopted, and abandoned when better were brought forward or when the increased magnitude of the business required greater facilities. More ice is now secured in one favorable day than would have supplied the whole trade in 1832. Ordinarily, before there has been cold enough to form ice of suitable thickness, snow falls on its surface. If this occurs when the ice is four or more inches in thickness, and the snow not heavy enough to sink the ice, it can be removed by using horses attached to the "snow scraper" and under such circumstances this is the method in common use. But if snow falls so heavy as to bring the water above the surface of the ice, it is removed, after it has congealed into snow-ice, with the "ice-plane," which takes off about two inches deep and twenty two wide, of its surface. This machine is drawn by two horses, and is guided by inserting its "guides" into grooves previously made with the "ice cutter." The chips made by it are scraped off in the same manner as dry snow. These preliminary expenses are often very great; frequently, after much expense has been incurred to remove a body of snow or snow ice, the weather becomes warm and spoils the ice on which so much has been expended. And, on the other hand, if it is not done and the cold continues, there will be little or no increase of thickness to the ice, which is equally a disaster.

When ice has been formed of sufficient thickness, and freed from snow and snow-ice, it is reduced to blocks of uniform size, ordinarily 22 inches square, by the "ice-cutter." This machine is similar to a carpenter's plough, except that it has a series of cutting chisels, one succeeding another, and deepening the groove. It is drawn by a horse, and cuts at one passage about two inches deep, and if the ice requires to be planed to remove snow-ice, the guides of the "snow-plane" are used in grooves of this depth, but when grooves are required to split from, the "ice-cutter" should be drawn two or three times through each. These grooves should be parallel to each other and, to make them so, the "ice-cutter" has a guide, which is placed in the last groove made. When the grooves in one direction have been made, others at right angles with them are produced in the same manner. After this has been done, one groove at the end is opened, and also the two outside grooves; a wedging bar is then stricken into the groove next the end one, and at several places along its length, which detaches it easily from the mass; then the same bar is forced, with a slight blow, into the transverse grooves, which reduces the ice to very uniform square blocks. The blocks of ice thus formed are brought to the receiving doors of the ice-houses, (which are built on the immediate borders of the ponds,) either by placing them on sleds, or floating in canals cut through the ice. Various modes of elevating the ice are in use; the endless chain, in combination with the inclined plane, has been successfully used, and also the common pile driving steam engine; but at present, horse-power is more used than any other. The ice is placed in the houses in regular courses, every block exactly covering the next below it. When a vault has been filled, it is immediately covered with wood shavings and the receiving doors fitted up, to prevent waste, until the contents are required for shipment abroad or use at home.

The weight of ice for shipment is usually determined at the wharves, immediately before being put on shipboard, on scales which have been constructed for the purpose; and this single operation settles the weight to be paid for by the party for whose account the ice is shipped, the amount due for freight on shipboard, for transportation on the railroad, and that which is to be received by the owner of the ice.

*The following Returns will show the growing importance of this trade to Boston.*

Exports of Ice for 1848.

	Tons.		Tons.
To Bombay and Calcutta, . . .	467	Total for November, 1848, . . .	3,439
Havana, . . . . .	450	Previous ten months, . . . . .	52,084
Rio Janeiro, . . . . .	320		
Pernambuco, . . . . .	110	Total for eleven months, . . . . .	55,522
Barbadoes, . . . . .	197	Same time last year, . . . . .	47,352
New Orleans, . . . . .	1,756		
Mobile, . . . . .	133	Increase, . . . . .	8,170

## THE LAWS OF MORTALITY.

From the *Encyclopædia Americana*.

The increased attention which is now given to the subject of Life Insurance, throughout this country, has induced us to republish the following condensed articles from the *Encyclopædia Americana* and from the *British and Foreign Medico-Chirurgical Review* for 1848. Within the last two years the number of Life Insurance Companies in the U. S. has been doubled; added to these are numerous Health Insurance Companies, all of which have in view a general benefit to society at large by insurance against the evils arising from the loss of life and loss of health. The new facts now stated, will be interesting to all parties.—(ED. B. M.)

The extreme limit of human life, and the means of attaining it, have been a subject of general interest, both in ancient and modern times, and the physiologist and political economist are alike attracted by the inquiry. It is for the student of biblical antiquities to decide in what sense we are to understand the word *year* in the scriptural accounts of the antediluvians; whether it signifies a revolution of the sun or of the moon, or whether their extreme longevity is only the creation of tradition. In the sense which we now give to the word *year*, the accounts would make the constitution of men at the period referred to, very different from what it is at present, or has been, at any period from which observations on the duration of human life have been transmitted to us. The results of all these observations, in regard to the length of life in given circumstances, do not essentially differ. Pliny affords some valuable statistical information, if accurate, regarding the period at which he lived, obtained from an official, and, apparently, authentic source,—the census, directed by the emperor Vespasian, in the year 76 of the Christian era. From this we learn that, at the time of the computation, there were, in the part of Italy comprised between the Appennines and the Po, 124 individuals aged 100 years and upwards, viz. 54 of 100 years, 57 of 110, 2 of 125, 4 of 130, 4 of 135 to 137, and 3 of 140. At Parma, a man was living aged 120, and 2 aged 130; at Faenza, a female aged 132; and at a small town near Placentia, called Velleiacium, lived 6 persons aged 110 years each, and 4 of 120. These estimates, however, do not accord with those of Ulpian, who seems to have taken especial care to become acquainted with the facts of the case. His researches prove that the expectation of life in Rome, at that time, was much less than it now is in London, or in any of our cities. Hufeland, indeed, in his *Macrobiotics*, asserts that the tables of Ulpian agree perfectly with those afforded by the great cities of Europe, and that they exhibit the probabilities of life in ancient Rome to have been the same as those of modern London. But Doctor F. Bisset Hawkins, in his *Elements of Medical Statistics* (London, 1829), says that the tables, kept by the censors for 1000 years, and constituting registers of population, sex, age, disease, &c., according to Ulpian (who was a lawyer, and a minister of Alexander Severus), refer only to free citizens, and that, to draw a just comparison between Rome and London, it would be necessary to take, among the inhabitants of the latter city, only those who were similarly circumstanced, viz: those whose condition is easy; in which case, the balance would be greatly in favor of modern times.

Mr. Finlayson has ascertained, from very extensive observation on the decrement of life prevailing among the nominees of the Tontines, and other life annuities, granted by the authority of parliament, during the last 40 years, that the expectation of life is above 50 years for persons thus situated, which affords the easy classes of England a superiority of 20 years above even the easy classes among the Romans. The mean term of life among the easy classes of Paris is, at present, 42 years, which gives them an advantage of 12 years above the Romans. In the third century of the Christian era, the expectation of life in Rome was as follows: From birth to 20, there was a probability of 30 years; from 20 to 25, of 28 years; from 25 to 30, 25 years; from 30 to 35, 22 years; from 35 to 40, 20 years; from 40 to 45, 18 years; from 45 to 50, 13 years; from 50 to 55, 9 years; from 55 to 60, 7 years; from 60 to 65, 5 years. Farther than this the computation did not extend. The census taken from time to time in England affords us information of an unquestionable character. The first actual enumeration of the inhabitants was made in 1801, and gave an annual mortality of 1 in 44.8. The third and last census was made in 1821, and showed a mortality of 1 to 58. (See *Abstract of the Answers and Returns made pursuant to an Act passed in the Year of George IV, &c.*, by Rickman.) The mortality then had decreased considerably within 20 years. In France, the annual deaths were, in 1781, 1 in 20; in 1802, 1 in 30; in 1823, 1 in 40. In the Pays de Vaud, the mortality is 1 to 49; in Sweden and Holland, 1 to 48; in Russia, 1 to 41; in Austria, 1 to 38. Wherever records have been kept, we find that mortality has decreased with civilization. Perhaps a few more persons reach extreme old age among nations in a state of little cultivation; but it is certain that more children die, and the chance of life, in general, is much less. In Geneva, records of mortality have been kept since 1590, which show that a child born there has, at present, five times greater expectation of life than one born three centuries ago. A like improvement has taken place in the salubrity of large towns. The annual mortality of London, in 1700, was 1 in 25; in 1751, 1 in 21; in 1801, and the 4 years preceding, 1 in 35; in 1811, 1 in 38; and in 1821, 1 in 40; the value of life having thus doubled, in London, within the last 80 years. In Paris, about the middle of the last century, the mortality was 1 in 25; at present, it is about 1 in 32; and it has been calculated that, in the fourteenth century, it was one in 16 or 17. The annual mortality in Berlin has decreased during the last 50 or 60 years, from 1 in 28 to 1 in 34. The mortality in Manchester was, about the middle of the last century, 1 in 25; in 1770, 1 in 28; 40 years afterwards, in 1811, the annual deaths were diminished to 1 in 44; and, in 1821, they seem to have been still fewer. In the middle of the last century, the mortality of Vienna was 1 in 20; it has not, however, improved in the same proportion as some of the other European cities. According to recent calculation, it is, even now, 1 in 22½, or about twice the proportion of Philadelphia, Manchester or Glasgow. Many years ago, Mr. Finlayson drew up the following table, to exhibit the difference in the value of life, at two periods of the seventeenth and eighteenth centuries. Had it been calculated for 1830, the results would have been still more remarkable.

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Ages.	Mean Duration of Life, reckoning from		So that the increase of Vitality is in the inverse Ratio of 100 to
Years.	1693. Years.	1789. Years.	
5	41·05	51·20	125
10	38·93	48·28	124
20	31·91	41·33	130
30	27·57	36·09	131
40	22·67	29·70	131
50	17·31	22·57	130
60	12·29	15·52	126
70	7·44	10·39	140

The following is the annual mortality of some of the chief cities of Europe and this country:

Philadelphia, . . . . .	1 in 45·68	Berlin, . . . . .	1 in 34
Glasgow, . . . . .	1 in 44	Paris, Lyons, Barcelona, and Strasburg, . . . . .	1 in 32
Manchester, . . . . .	1 in 44	Nice and Palermo, . . . . .	1 in 31
Geneva, . . . . .	1 in 43	Madrid, . . . . .	1 in 29
Boston, . . . . .	1 in 41·26	Naples, . . . . .	1 in 28
London, . . . . .	1 in 40	Brussels, . . . . .	1 in 26
New York, . . . . .	1 in 37·63	Rome, . . . . .	1 in 25
St. Petersburg, . . . . .	1 in 37	Amsterdam, . . . . .	1 in 24
Charleston, . . . . .	1 in 36·50	Vienna, . . . . .	1 in 22½
Baltimore, . . . . .	1 in 35·44		
Leghorn, . . . . .	1 in 35		

From Dec. 12, 1828, to Dec. 15, 1829, in London, the whole number of deaths was 23,525. The proportion of deaths, in different ages, was as follows:

Under two years of age, . . . . .	6710	Fifty and sixty, . . . . .	2094
Between two and five, . . . . .	2347	Sixty and seventy, . . . . .	2153
Five and ten, . . . . .	1019	Seventy and eighty, . . . . .	1843
Ten and twenty, . . . . .	949	Eighty and ninety, . . . . .	749
Twenty and thirty, . . . . .	1563	Ninety and one hundred, . . . . .	95
Thirty and forty, . . . . .	1902	One hundred and one, . . . . .	1
Forty and fifty, . . . . .	2093	One hundred and eight, . . . . .	2

On the average of eight years, from 1807 to 1814 inclusive, there died annually within the city of Philadelphia and the Liberties, the following proportion of persons, of different ages, compared with the total number of deaths:

	Per Cent.		Per Cent.
Under one year, . . . . .	25·07	Forty to fifty, . . . . .	7·98
From one to two years, . . . . .	10·71	Fifty to sixty, . . . . .	5·95
Two to five, . . . . .	5·67	Sixty to seventy, . . . . .	4·29
Five to ten, . . . . .	3·00	Seventy to eighty, . . . . .	3·27
Ten to twenty, . . . . .	3·60	Eighty to ninety, . . . . .	1·89
Twenty to thirty, . . . . .	8·63	Ninety to one hundred, . . . . .	0·50
Thirty to forty, . . . . .	10·99	One hundred to one hundred & ten, . . . . .	0·0009

Another question of interest is the inquiry in what degree the various trades and professions are favorable to human life, or the contrary. Several statements have lately been published respecting this subject, but farther and more copious observations are required, to afford satisfactory results. The Literary Gazette gives, in a tabular form, the results of a work on this subject, from the pen of Mr. Thackrah, an



eminent surgeon, of Leeds.—*Out-of-door occupations.* Butchers are subject to few ailments, and these the result of plethora. Though more free from diseases than other trades, they, however, do not enjoy greater longevity: on the contrary, Mr. Thackrah thinks their lives shorter than those of other men who spend much time in the open air. Cattle and horse-dealers are generally healthy, except when their habits are intemperate. Fish-mongers, though much exposed to the weather, are hardy, temperate, healthy and long-lived; cart-drivers, if sufficiently fed, and temperate, the same. Laborers in husbandry, &c., suffer from a deficiency of nourishment. Brickmakers, with full muscular exercise in the open air, though exposed to vicissitudes of cold and wet, avoid rheumatism and inflammatory diseases, and attain good old age. Paviers are subject to complaints in the loins, increasing with age, but they live long. Chaise-drivers, postillions, coachmen, guards, &c., and from the position of the two former on the saddle, irregular living, &c., and from the want of muscular exercise in the two latter, are subject to gastric disorders, and, finally, to apoplexy and palsy, which shorten their lives. Carpenters, coopers, wheelwrights, &c., are healthy and long-lived. Smiths are often intemperate, and die comparatively young. Rope-makers and gardeners suffer from their stooping postures.—*In-door occupations.* Tailors, notwithstanding their confined atmosphere and bad posture, are not liable to acute diseases, but give way to stomach complaints and consumption. The prejudicial influence of their employment is more insidious than urgent: it undermines rather than destroys life. Stay-makers have their health impaired, but live to a good age. Milliners, dress-makers and straw-bonnet-makers are unhealthy and short-lived. Spinners, cloth-dressers, weavers, &c., are more or less healthy, according as they have more or less exercise and air. Those exposed to inhale imperceptible particles of dressings, &c., such as frizers, suffer from disease, and are soonest cut off. Shoemakers are placed in a bad posture. Digestion and circulation are so much impaired, that the countenance marks a shoemaker almost as well as a tailor. We suppose that, from the reduction of perspiration, and other evacuations, in this and similar employments, the blood is impure, and, consequently, the complexion darkened. The secretion of bile is generally unhealthy, and bowel complaints are frequent. In the few shoemakers who live to old age, there is often a remarkable hollow at the base of the breast-bone, occasioned by the pressure of the last. Curriers and leather-dressers are very healthy, and live to old age. Saddlers lean much forward, and suffer, accordingly, from head-ache and indigestion. Printers (our worthy co-operators) are kept in a confined atmosphere, and generally want exercise. Pressmen, however, have good and varied labor. The constant application of the eyes to minute objects gradually enfeebles these organs. The standing posture, long maintained here, as well as in other occupations, tends to injure the digestive organs. Some printers complain of disorder of the stomach and head, and few appear to enjoy full health. Consumption is frequent. We can scarcely find or hear of any compositor above the age of 50. In many towns, printers are intemperate. Bookbinders,—a healthy employment. Carvers and gilders look pale and weakly, but their lives are not abbreviated

in a marked degree. Clock-makers are generally healthy and long-lived; watch-makers, the reverse. House servants, in large, smoky towns, are unhealthy. Colliers and well-sinkers,—a class by themselves,—seldom reach the age of 50.—*Employments producing dust, odor, or gaseous exhalations.* These are not injurious, if they arise from animal substances, or from the vapor of wine or spirits. Tobacco manufacturers do not appear to suffer from the floating poison in their atmosphere. Snuff making is more pernicious. Men in oil-mills are generally healthy. Brush-makers live to a great age. Grooms and hostlers inspire ammoniacal gas, and are robust, healthy, and long-lived. Glue and size boilers, exposed to the most noxious stench, are fresh-looking and robust. Tallow-chandlers, also exposed to offensive animal odor, attain considerable age. Tanners are remarkably strong, and exempt from consumption. Corn-millers, breathing an atmosphere loaded with flour, are pale and sickly, and very rarely attain old age. Malsters cannot live long, and must leave the trade in middle life. Tea-men suffer from the dust, especially of green teas; but this injury is not permanent. Coffee-roasters become asthmatic, and subject to head-ache and indigestion. Paper-makers, when aged, cannot endure the effect of the dust from cutting the rags. The author suggests the use of machinery in this process. In the wet and wear and tear of the mills, they are not seriously affected, but live long. Masons are short-lived, dying generally before 40. They inhale particles of sand and dust, lift heavy weights, and are too often intemperate. Miners die prematurely. Machine-makers seem to suffer only from the dust they inhale, and the consequent bronchial irritation. The (iron) filers almost all unhealthy men, and remarkable short-lived. Founders (in brass) suffer from the inhalation of the volatilized metal. In the founding of yellow brass, in particular, the evolution of oxide of zinc is very great. They seldom reach 40 years. Copper-smiths are considerably affected by the fine scales which rise from the imperfectly volatilized metal, and by the fumes of the spelter, or solder of brass. The men are generally unhealthy, suffering from disorders similar to those of the brass-founders. Tin-plate-workers are subjected to fumes from muriate of ammonia, and sulphureous exhalations from the coke which they burn. These exhalations, however, appear to be annoying, rather than injurious, as the men are tolerably healthy, and live to a considerable age. Tinnerns, also, are subject only to temporary inconvenience from the fumes of the soldering. Plumbers are exposed to the volatilized oxide of lead, which rises during the process of casting. They are sickly in appearance, and short-lived. House-painters are unhealthy, and do not attain generally full age. Chemists and druggists, in laboratories, are sickly and consumptive. Potters, affected through the pores of the skin, become paralytic, and are remarkably subject to constipation. Hatters, grocers, bakers and chimney-sweepers (a droll association) also suffer through the skin; but, although the irritation occasions diseases, they are not, except in the last class, fatal. Dyers are healthy and long-lived. Brewers are, as a body, far from healthy. Under a robust and often florid appearance, they conceal chronic diseases of the abdomen, particularly a congested state of the venous system. When these men are accidentally hurt or



wounded, they are more liable than other individuals to severe and dangerous effects. Cooks and confectioners are subjected to considerable heat. Our common cooks are more unhealthy than house-maids. Their digestive organs are frequently disordered, they are subject to head-ache, and their tempers rendered irritable. Glass-workers are healthy. Glass-blowers often die suddenly.

Literary occupations do not appear to be more injurious to long life than many others. Many of the first literati, most distinguished for application throughout life, have attained old age, both in modern and ancient times. In the ancient authors, numerous instances of this kind are recorded, many of which may be found collected in the work of Hufeland, already alluded to.—We will add a few instances of extraordinary longevity. The Englishman Parr, who was born in 1483, married when at the age of 120, retained his vigor till 140, and died at the age of 152, from plethora. Harvey, the distinguished discoverer of the circulation of blood, who dissected him, found no decay of any organ. (*Philosophical Transactions*, vol. iii, 1698.) Henry Jenkins, who died in Yorkshire, in 1670, is, perhaps, the greatest authentic instance of longevity. He lived 169 years. Margaret Forster, a native of Cumberland, England, died in 1771, aged 136; and James Lawrence, a Scotchman, lived 140 years. A Dane, named Drakenberg, died in 1772, in his 147th year; and John Effingham, or Essingham, died in Cornwall, in 1757, aged 144. In 1792, a soldier, named Mittelstedt, died in Prussia, at the age of 112. Joseph Surrington, a Norwegian, died at Bergen, in 1797, aged 160 years. The St. Petersburg papers announced, in 1830, the death of a man 150 years old, at Moscow; and, in 1831, the death of a man in Russia, 165 years old, was reported. On May 7, 1830, died a man named John Ripkey, at the age of 108, in London. His sight remained good till the last. In 1830, a poor man, near lake Thrasimene, died, 123 years old. He preserved his faculties to the last. In 1825, pope Leo XII. gave him a pension. The late return of the population of the city of New York, according to the census of 1830, makes the number of those who live beyond the allotted three-score and ten, in the proportion of about  $1\frac{3}{4}$  per cent. of the whole number. Although the number of white males exceeds that of females, 1861, yet of those [8009,] who are upwards of 70, the excess is in favor of the females, there being 4175 of the latter, and but 3834 of the former. Of the 17 white persons above a hundred, 15, on the contrary, are males; and of the 45 black persons, a hundred and upwards, only 11 are males. The proportion of centenarians among the blacks is much larger than among the whites, making all proper allowances for their exaggeration and ignorance.—Belsham's Chronology informs us that 21 persons, who had attained the age of 130 and upwards, died between the years 1760 and 1829; of these, one was aged 166. In same period, 39 had attained the age of 120, and not 130. The number who attained the age of 110, and not 120, was 36 in the same space. And those who died after the age of 100, and before 110, were 54 within the period. Of the whole number recorded, 94 were natives of England, 23 of Ireland, and 12 of Russia. Doubtless many more have died after the age of 100, without having had their names recorded. The northern climates afford

more instances of longevity than the southern; and although far the greater part of those who have attained extreme old age have been distinguished for sobriety, yet some of them do not appear to have been in the habit of restraining their appetites. In China, where old age is much respected, people receive presents from government, when they have attained a great age.

*From the British and Foreign Medico-Chirurgical Review, for 1848.*

A Statistical Notice of the Laws of Mortality and of Survivorship at different Ages of Human Life, deduced from 10,203 deaths occurring in the Canton of Geneva during the eight years 1838-45. By Dr. MARC D'ESPINE.

The author observes that perhaps Geneva is the only city in existence which can furnish, almost uninterruptedly, tables of its mortality, and the changes in probable and mean duration of life, for so long a space of time as 273 years,—viz: from 1560 to 1833. With the results obtained from these, as set forth in Mallet's 'Researches,' he compares in the present article those derived from his own observations, carried over a period of eight years. Although we cannot reproduce the tables in which these materials are exhibited, we may notice some of the conclusions the author arrives at.

*Mortality of children.*—The mortality of the *first* year of life has been continually decreasing; or, in other words, the proportion who survive their first year has been increasing. Thus, the number of survivors per 1000 amounted to 740 in the sixteenth century; to 763, in the seventeenth; to 798, in the eighteenth; to 848, in the first 34 years of the nineteenth; and to 877, in the author's tables,—i. e. a mortality of 123 per 1000. From *one to ten years* of age, the mortality in the canton of Geneva is very nearly the same as that of the first year, viz: 133. At the earlier period of the present century it was still less (128 and 130), so as exactly to compensate for the comparative greater infantile mortality. Going backwards from 1814, however, the mortality at both periods steadily increases; and thus with 744 survivors per 1000 in 1838-45, we find but 643 in 1761-1800; 601 in 1701-61; 524 in 1601-1700; and 480 in 1561-1600. It is remarkable that in the sixteenth century the number of survivors at one year was less considerable than is that now at ten years.

*Mean life.*—The mean life, *in general*, is the sum of the years lived by a total of individuals supposed to be born together, divided by the sum of the births. According to the author's tables, it was 41.78 years for 1838-45, while it was but 38 years for the first fourteen years of the nineteenth century; 33.1 for the latter half, and 31.8 for the first half, of the eighteenth; 22.8 for the seventeenth; and 18 for the latter half, of the sixteenth. The increase from 1560 to the beginning of the nineteenth century has thus become more than double; but during the last thirty years it seems to have attained its highest point, and to be insusceptible of further augmentation. In fact, the city of Geneva furnished for the years 1816-30 the same mean life as in the years 1838-45. Considered relatively to *different ages*, the mean life is the quotient resulting from the division of the sum of years which individuals of a certain age have lived by the sum of the individuals of that age. In the

author's tables it increases from birth to between three and four years, being 47·9 at four years. This maximum attained, it uniformly decreases to advanced age. The maximum was attained, at three years also in the fourteen first years of this century; but in the two preceding centuries and the latter part of the sixteenth, the increase continued to the fifth year.

*Probable life.*—The term is, *in general*, understood to indicate the age at which the half of those born in the same year are dead, while the other half survives. This, according to the author's tables, was 43·62; while in 1801-14, it was 40·68; in 1760-1800, 32·37; in 1700-60, 27·18; in 1600-1700, 11·61; and 1560-1600, 4·88 years. Thus, the probable life, which in the sixteenth century was four times less than the mean, has from that time become progressively increased, and that more rapidly than the mean life; so that by the end of the seventeenth century these two lives were nearly equal, while from that time to the present, the probable life has been maintained some years above the mean life; but, like the latter, it seems to have reached its highest point, and, during the last thirty years, to have somewhat sank.

*Influence of sex.*—The tables published in various parts of Europe all agree in showing a preponderance of *male births*; and of the 10,761 here examined, 5483 were male, 5278 female,—i. e. 1000 to 963; and yet, as in the rest of Europe also, the female population exceeds the male. It did so in the canton of Geneva, in the proportion of 1000 to 926, at the census of 1843. In early infancy the causes of death especially attack males. From that time to a little beyond puberty, but without following this law regularly from year to year, it falls on the female rather more than the male, but much less markedly than in the case of the earlier predominance in the male. From ten to towards old age, more men than women die; whilst from old age to the end of life this is the case with women. The above statement applies to all countries that have published their vital statistics, and only differs in any of them as to the precise duration of the several periods. In our author's tables the male mortality predominates until near the eighth year, from which to the nineteenth more females perish. From 20 to 60, men again acquire the ascendancy; of the forty years constituting this period, there are 27 in which the male deaths predominate, and 13 in which those of either sex are equal. From 60 to the end of life, females maintain the ascendancy. At all epochs of human life, in an equal number of births of each sex, more women than men *survive*, except at the first year, when the numbers are equal. M. Quetelet has found likewise, in the Belgian and Parisian tables, that the excess of male births is almost entirely balanced by the excess of male mortality during the *first* year, while the tables for 1841 show that in England the equilibrium is attained even somewhat before that period.

According to the author's tables, the *mean* life of women, setting out from birth, is 3·5 years superior to that of men; and two years, according to the five English reports. It is at birth that this differs most in the sexes, after which they tend to approach each other, until an equality is attained at an advanced age (62 in the author's tables, 93 in the English.) The difference of the *probability of life* at birth is 6·72.

*Longevity.*—The author regards the proportion of persons reaching advanced age as affording a better test of the *vital force* of a country than its proportionate mean life. He furnishes a table, from which it appears that, while his returns for 1838-45 furnish, in the 1000 deaths of all ages, 238 aged 70 and above, 86 aged 80 and above, and 8.1 aged 90 and above, the English report gives only the numbers 143, 59, and 8.4 and M. Quetelet's table only 170, 58, and 7. He terms the age of 70 the *common age of longevity*, as being that which every person not cut off by disease or accident may calculate on reaching; while he fixes the age of *exceptional longevity*, it is not easy to say why, at 90. Mallet and others have stated that examples of exceptional longevity become rare in a population, in proportion as its mean longevity is augmented,—a proposition to which the author demurs, showing that the number of nonagenarians has regularly increased at Geneva. Thus of 1000 births there survived to the age of 90, 2.05 in 1560-1600, 4.41 in 1700-60, and 5.18 in 1801-13. As respects ultranonenarians, however, little variety is found in any age or country: 1.54 in the 1000 reached 95 years in 1560-1600, and 1.10 in 1801-13.—*Annales d' Hygiene*, tom. xxxviii, pp. 289-320.

#### *Observations on Sanitary Reform.*

The conclusions to which our examination of sanitary tests and estimates has led us, are the following:

1. That the advocates of sanitary reform are justified in assuming *two per cent.* as the rate to which the mortality of all towns, and *a fortiori* of the country at large, may, by proper sanitary measures, be reduced.
2. That there are fair grounds for assuming for the whole of the population a still more favorable rate of mortality.
3. That the estimated annual sacrifice of 35,000 lives in England and Wales, and upwards of 60,000 in the United Kingdom, is not greatly exaggerated; and that a more moderate estimate of 30,000 for England and Wales, and 51,000 for the United Kingdom, may be very safely assumed.
4. That in measuring the waste of life in counties or towns, the standard of *two per cent.* is to be preferred, as more moderate and less open to objection, to that of the healthiest registration district.
5. That the average age at death, as well as the number out of which one will die annually, are fallacious tests of the sanitary condition of a population, and cannot be employed for that purpose without leading to serious errors.
6. That the only accurate tests are those founded jointly on the ages of the living and the ages at death, whether they take the shape of life-tables, or assume the transfer of one population with its peculiar distribution of ages to other localities, to be there subject to the mortality at each age proper to those localities.
7. That the estimates of the years of life lost by the inhabitants of towns, and by the community at large, founded on the average age at death, are greatly exaggerated; but that when measured by the more correct standard which embraces the *ages at death* and the *ages of the living*, this waste is still of appalling magnitude.



8. That the alleged coincidence of an excessive reproduction and a high mortality, is not borne out to the full extent of the calculations of the advocates of sanitary reform, when the ages of the reproductive population are taken into account; but that, in consequence partly of reproduction, and partly of immigration, the worst districts maintain their population, and sometimes show a very rapid rate of increase.

9. That there is no sufficient evidence that workingmen are subject to a higher rate of mortality than other members of society; but that on the contrary, there is the best reason to believe that, in spite of the unfavorable influences by which they are surrounded, they are longer lived even than the gentry.

10. That this circumstance, however, does not furnish any valid argument against the injurious effects attributed to those influences; inasmuch as the causes which injure the health and shorten the lives of the two classes respectively are altogether distinct from each other.

11. That there is reason to believe that the lives of the higher classes are shortened in those towns and districts in which the mortality of the general population is high.

12. That the estimated amount of sickness, like the estimated waste of life, expressed in years, has been somewhat exaggerated by the advocates of sanitary reform; that 20 cases of unnecessary sickness to one unnecessary death, is a safer proportion to assume than 28 to 1; and that the total cases of unnecessary sickness will have to be reduced accordingly.

\* \* \* \*

The rate of mortality in England and the United States of America differs very slightly, being one in 44·55, and one in 44·60 respectively, or in both cases, about 22 in the thousand; but the average age at death is in England 29 years, and in America only 20 years. This striking difference in the age at death is obviously due, not to the superior sanitary condition of the English population, but to its greater age. The difference between the two populations in respect to age is well shown in the following statement: "that whilst in England there are 5025 persons between 15 and 50, who have 3610 children or persons under 15, in America there are 4789 persons living between 15 and 50 years of age who have 4371 children dependent upon them. In England there are in every 10,000 persons 1365 who have obtained above 50 years' experience; in America there are only 830."

Again, if we compare England and Wales in 1841 and 1821, we arrive at the remarkable result that though the rate of mortality differs in a very insignificant degree, the average age at death, if the mortality of the several ages for the two periods be assumed to be that of 1841, differs by little less than five years; the average age for 1821 being 24·89 years; and for 1841, 29·46 years.

The same striking differences are observable if we turn to the table already laid under contribution, which contrasts the metropolis with the counties and large towns of England, assuming the population of the metropolis to be transferred to those counties and towns. The average age at death in the metropolis is 29·06, and in the county of Hereford, 38·42; but if the population of London were placed under the sanitary influences of Herfordshire, the average age at death would become 30·54; in other words, the inhabitants of the metropolis, one with

another, would have about a year and a half added to their lives. Or, suppose the county of Devon to take the place of the county of Hereford. The average age of death in Devonshire is 37·97, or nine years more than in London; but the inhabitants of the metropolis, if transferred to Devonshire, would have the average age of 31·48; that is to say, they would gain, one with another, less than two and a half years.

Let us now compare the metropolis with other English cities. Birmingham, it will be recollected, when measured by the rate of mortality, proved much more healthy than London; but nevertheless the average age at death, which in the metropolis is 29 years, in Birmingham is less than 24 years. The population of London, however, if transferred to Birmingham, would die at the average age of nearly 27 years. In Manchester, again, the average age at death is less than 23 years, though its rate of mortality for the year 1840-1 was somewhat more favorable than that of London. So also in the case of Liverpool; if we took the average age at death as our sole guide, London would appear far more healthy than Liverpool, for while the average age at death in London is 29 years, it is less than 21 in Liverpool, being a difference of no less than eight years; whereas the population of London, if transferred to Liverpool, would die at an average age of 25 years—that is to say, the difference would be reduced from four to eight years.

We have still, however, in reserve, the most interesting comparison of all—that of the several parts of the metropolis itself. Bethnal Green has been pointed out as the most unhealthy district in London, because the average age at death happens to be lower there than elsewhere. It is less than 26 years; whereas it is upwards of 26 in Clerkenwell, 28 in St. Giles' and St. George's Bloomsbury, 29 in Marylebone, 31½ in St. George's Hanover Square, and upwards of 32 in Kensington. But this order is materially changed when we equalize the distribution of the population according to age in these several districts; and it turns out that, for the same population, St. Giles' and St. George's Bloomsbury is the most unhealthy, having an average age at death of 24·34 years. Marylebone comes next in order, with an average age of 24·52; then Clerkenwell, with an average of 24·84; then Bethnal Green, with an average of 25·80. The average for Kensington is 26·71, and for St. George's Hanover Square, exclusive of the Hospital, 28·13. The rate of mortality follows precisely the same order. The average age at death, therefore, cannot be taken as a sound or safe measure of the sanitary condition of a population. The use of it may lead to very serious errors. The same remark applies, though in a less degree, to the rate of mortality; for it stands to reason that one death in 30, occurring among a population of young persons under 25 years of age, would represent a much more favorable state of things than the same rate of mortality in a population from 25 to 50 years. There is, therefore, no other perfectly satisfactory test but that which takes into account both the ages of the living and the age at death, or which has the properties, if not the exact form, of a life table. Mr. Neison's method of supposing the actual population of one county, province, or town, with its own peculiar distribution of ages, transferred to another locality, and subject to the mortality at each age of the inhabitants of that locality, is equally sound, and leads to very striking and satisfactory results.

## GRACE ON SIGHT BILLS.

From "The Code Reporter—a Journal for the Judge, the Lawyer, and the Legislator." Published by J. Townshend, 3 Nassau Street, New York. Monthly, two dollars per annum.

[We believe that the only States which have any Statutory provision on the subject of days of grace, are Louisiana, Massachusetts, Michigan, New Hampshire, and Vermont.

In Massachusetts (R. S. 303), all bills of exchange payable at sight, or at a future day certain, and all promissory negotiable notes payable at a future day certain, within that State, in which there is no express stipulation to the contrary, grace is allowed as it is by the custom of Merchants on Foreign Bills of Exchange, payable at the expiration of a certain period after date or sight. These provisions do not extend to any Bill of Exchange, note, or draft, payable on demand.

In Louisiana, the 1st of January, the 8th of January, the 22d of February, the 4th of July, the 25th of December, Sundays, and Good Friday, are days of public rest. When the 3d or both 3d and 2d days of grace on a bill or note falls upon a day of rest such bill or note shall become due in the one case on the 2d, and the other on the 1st day of grace. In computing the delay allowed in giving notice of non-payment or non-acceptance of a bill or note, the days of public rest are not counted. (Ballard and Curry's Digest, 40.)

In Michigan, days of grace are not allowed upon any bill, note, or draft, payable on demand, but are allowed upon all bills payable at sight, or at a future day certain within the State, and on all negotiable promissory notes and drafts payable at a future day certain within the State, wherein there is no express stipulation to the contrary. (2 R. S. of 1846, 157.)

In New Hampshire, days of grace are allowed on all negotiable promissory notes except those payable on demand, unless the instrument show the intention of the parties to be otherwise. (R. S. 180.)

In Vermont, bills and notes executed in any other State, but payable in that State, and all bills and notes executed in that State and payable in any other State, are entitled to three days' grace; this does not extend to bills and notes payable on demand, or in any way but in money. (R. S. 73.)]

The question as to whether bills drawn on persons in New York, and payable at sight, are or are not entitled to days of grace, has during some months past been the subject of considerable discussion both in the legal and commercial world:—(see *Code Reporter*, p. 22.) The question was raised in the 4th Judicial District Court of New Orleans, in the case of *Minnick v. Martin* and others, and a commission was recently issued in that case to take the testimony of some of the principal lawyers and notaries in the city of New York, as to the law and the custom of merchants on the subject in this State.

The commission was directed to *John Livingston, Esquire, of No. 54 Wall street, New York*, who is a Commissioner for the State of Louisiana and every other State in the Union; and by virtue of the commission he has taken the testimony of the following gentlemen: John Duer, Theodore Sedgwick, Daniel Lord, Joseph L. White, Pierre M. Irvine, Robert B. Campbell, E. J. Beck, J. C. Lawrence, and S. F. Butterworth, respectively, Counsellors at Law; Jasper Corning, Banker; and Jacob Little, S. J. Beebee, Edward Bement, and Henry W. Olcott, respectively, Exchange Brokers.

The text books are silent on this point as regards this State, but the evidence of the legal gentlemen examined completely exhausts the subject, and their opinions, destined as they are to determine this question,



of so much importance to the commercial world, will be read with much interest.

The following may be relied upon as an accurate synopsis of the testimony taken under the commission. Where the answer of any witness is more than a mere negation or affirmation of the interrogatory, we give the answer in the words of the witness.

*Synopsis of Testimony.*

All the witnesses were interrogated "whether days of grace are allowed on sight bills, drawn on persons in the city of New York." Mr. Butterworth answered "Yes." Mr. Sedgwick said "No," but added, "I do not consider the matter free from doubt." Mr. Lord said, "as the question has never been decided, I decline to give any speculative opinion on the subject." ALL the other witnesses answered "No." All the witnesses were then asked on what they founded their opinion, and they all, except Messrs. Butterworth and Lord answered, on "*custom and usage*." Mr. Butterworth said his answer "was founded on established principles of law and mercantile usage;" and Mr. Lord said his answer was "founded on his experience as a lawyer."

Messrs. Olcott, Little, Corning, Bement, Butterworth, and Beebee, were asked if there was "any difference in the custom with regard to a Bill payable at sight, drawn by a banking house," and in "one drawn by a person not engaged in banking business." They all replied in the negative.

Messrs. Sedgwick, Duer, Lord, White, Olcott, Little, Corning, Bement, Butterworth, and Beebee, were then asked whether the usage they referred to, of refusing days of grace to sight drafts, had been "constant and uniform; and whether any other usage had been recognized." Mr. Lord said he was "not aware of any usage regulating the question." Mr. Butterworth answered, "the law regulating the question of days of grace, is unwritten law, founded upon the decisions of Courts. The allowance of days of grace is now universally understood to enter into every *Bill* or *Note* of a *Mercantile* character, and to form a complete part of the contract, so that the Bill does not become due in fact or in law, on the day mentioned on its face, but on the last day of grace. My opinion is based upon the following decisions: 1 Showers' Rep. 164; 1 Barnardiston, K. B. R. 303; 1 C. M. & R. 307; 1 Peters' Rep. 25—34; 4 Howard 278; 6 Medcalfe R. 13; and upon the writings of Story, Kent, Chitty, Bayley, Roscoe and Forbes."

The other witnesses to whom this interrogatory was addressed, concurred in saying that the usage had been "constant and uniform;" and that "no other usage had ever been recognized."

All the witnesses were asked whether the usage they referred to was "the same throughout the State of New York," and they answered in the affirmative.

Messrs. Sedgwick, Duer, Lord and White, were asked "if the law merchant allows days of grace on sight bills; has this law ever been introduced into the State of New York, in any way by statutes, by decisions of your Courts, or by usage and custom?"

Mr. Sedgwick said, "there are two decisions in the case of Wood-

ruff and the Merchants' Bank of this City, one made by the Supreme Court of this State, 25 Wend. 673, and the other in the same case on Error, 6 Hill, 175, in regard to the admissibility of evidence of usage respecting the allowance of grace on Bills payable *so many days after date*, which throw doubt upon the question as to the allowance of grace upon sight bills, and as to the validity of the usage of this City, to which I have already referred. But the case in the Supreme Court does not seem to have been fully argued. The reasons of the Court are very briefly assigned, and in a manner not satisfactory to my judgment. In the Court of Errors, no opinion is given in the published report of the case, and I think the rule as settled there, should be confined to that precise case, and not extended beyond it; for this reason, although the question of allowing grace upon sight bills in this City is not free from doubt, my clear and deliberate opinion is, that the established usage and custom of the place fixes the law merchant on this subject, and that whenever the precise question is presented to our Courts, it will be so held."

Mr. Duer said, "the law merchant, as a part of the common law, prevails in the State of New York. But I know of no statute, and of no decision of our Courts, except a recent decision in the Court of Common Pleas in this City, and no usage or custom for allowing days of grace on sight bills."

Mr. Lord said, "the law merchant, where it prevails in the State of New York, is introduced as a part of the traditionary common law, and prevails except where varied by statute."

Mr. White said, "if the law merchant allows days of grace on sight bills, it has never to my knowledge been adopted in this State, either by our Courts, usage, or legislative enactment."

Messrs. Beck, Campbell, Irvine, and Lawrence were asked, "when a sight bill is presented to the drawee, and payment refused, for what do you protest,—for non-acceptance or for non-payment? If for non-payment, why do you protest for non-payment and not for non-acceptance? Is it because sight bills, by law, usage, and custom, are payable on demand?"

Mr. Beck said, "for non-payment universally; because sight bills, by usage and custom, are payable on demand. I mean bills payable *at sight*, and not such as are payable *after sight*. The latter are entitled to grace. It is the universal practice in New York, to protest bills payable at sight, without allowing grace. The Banks, as well as individuals, have universally treated such bills as payable on demand. I never knew an instance in practice where the drawee of such a bill refused to pay it upon demand, on the ground that it was entitled to days of grace, or even made such a pretence. I have presented such bills almost daily for ten or twelve years."

Mr. Irvine said, "I protest sight bills for non-payment, and not for non-acceptance; because law, usage, and custom make sight bills payable on demand. The law makes it necessary that a bill be presented for payment when it becomes due; and custom and usage in New York make a sight draft due and payable on demand."

Mr. Campbell said, "I protest for non-payment."

Mr. Lawrence said, "I protest a sight bill for non-payment, because sight bills are by usage and custom payable on demand."

*Cross-Interrogatories for all the Witnesses.*

1st. "Have you protested any bill or bills of exchange within the last two years, drawn upon persons in the city of New York, payable at sight? If yea, was such bill protested for non-payment or non-acceptance? State whether, by the law of New York, you are not liable to the holder of such bill, if the protest was not legal, and loss accrued to him in consequence of a defective protest."

To this interrogatory Messrs. Sedgwick, Duer, Lord, White, and Olcott answered, that they had not protested any bill within two years. The rest of the witnesses answered that they had protested bills within the last two years; that the bills were always protested for non-payment, and not for non-acceptance; and further, that they thought a notary would be liable to the holder of a bill if the protest was not legal. The answer of Mr. Irvine as to this part of the interrogatory is, "I do not consider that, by the law of New York, I would be liable to the holder of such bills for any loss that might accrue in consequence of my protesting, in conformity with the understood usage of the place; on the contrary, I think that laches would be imputable to a notary who gave a party refusing payment the privilege of accepting a sight draft. I apprehend the drawers and endorsers would be discharged by allowing grace, in opposition to the known and understood usage of the place. It would not be prudent or safe, especially as there is no law in New York opposed to the usage."

2nd. "Is the common law of England the law of New York, save where it has been changed by statute?"

Messrs. Little, Corning, Bement, Lawrence, Beebee and Olcott, declared themselves unable to answer; the other witnesses stated that the common law of England, as it existed 19th April, 1775, except as altered by colonial statutes, is the law of New York, except as altered by the constitution, statutes, judicial decisions; and added Messrs. Beck, Campbell, White and Duer, "uniform and recognized usage and custom;" and adds Mr. Irvine, "English decisions had not then (19th April, 1775) ruled that sight drafts were entitled to grace. Kyd, in his treatise on Bills of Exchange, written at a subsequent date, expressly says, 'bills payable at sight are to be paid without any days of grace. The practice of allowing grace on sight drafts in England was a departure from original usage, and was sanctioned by the law of England after it had grown into a custom. Neither the practice nor the law of New York was ever assimilated to that of England on this subject.'"

3rd. "Are the rules laid down in 'Kent's Commentaries,' 'Story on Bills of Exchange,' 'Chitty' and 'Baily' on the same subject, and in 'Smith's Mercantile Law,' evidence to show what the law of New York is upon the subjects upon which they treat? And do not these authors all assert that bills payable at sight are entitled to days of grace? Please examine Story on Bills, pp. 228 and 332, and authorities there cited."

Messrs. Sedgwick, Beck, Duer, Lord, White, Irvine and Campbell, all agreed that the works referred to are not evidence to show what is the

law of New York. Messrs. Sedgwick, Beck, and White agreed that Kent treats the point as unsettled, and that the other authors assert that such bills are entitled to grace, but that none of the authors consider the subject with reference to the usage of New York, or assert that the general rule of law on the point may not be varied by general and uniform usage. Mr. Butterworth said, "all the authorities referred to are in favor of allowing days of grace, and their opinions are great authority." The other witnesses made no answer.

4th. "Does the law of New York on this subject differ from the general commercial law of England? If yea, when, where, and how was it changed?" Mr. Butterworth said, "No;" Messrs. Sedgwick and Duer said, "Yes," and that the change has been effected "*by usage and custom.*" Mr. Beck said, "the question is undecided in England." Mr. Lord said, he was "not aware of any change by statute or decision, and cannot therefore say there is any difference." Mr. White said, "if it be regarded as settled by the general commercial law of England, that sight drafts are entitled to grace, then the law of New York, made by uniform and general usage, is otherwise, and such usage will prevail, as the parties are presumed to have contracted with reference to it [5 Hill, 437.] If the usage is general, ancient, and uniform, the allowance of no days of grace is as much a part of the bill, as if expressed on the face of it. The law annexes it as an incident."

The other witnesses stated that they had no knowledge on the subject.

5th. "If by the law of New York days of grace are allowed on bills of exchange, could such *law* be abolished by a usage of merchants not to demand or grant days of grace on such bills? If yea, how long a *usage* of this kind would it require to repeal your law? See 25 Wend. 673; 6 Hill, 175. Starkie on Evidence."

To this interrogatory Mr. Beck said:

"A positive statutory enactment cannot be abolished by any usage. But the general rules of the common law may be varied by long established usage. I cannot say what precise length of usage would be allowed by the Courts, and by the general rule of evidence, to have that effect. I have referred to the authorities mentioned, which do not alter my views. I do not consider that a decision in respect to days of grace upon bills payable at a given time *after sight* is applicable to cases of bills payable *at sight*. The rules in respect to such bills are different."

Mr. Duer said, "the general rule of law on this subject may be abolished by a general and uniform usage of merchants. Every rule of mercantile law which can be abolished or varied by an express agreement of the parties may be abolished or varied by a valid usage. For my views on this subject I refer to Duer on Insurance, vol. i. p. 271, 272, and 301."

Mr. White said, "no usage can be allowed to control the settled law of the State. I have examined the two first authorities named. The second merely affirms the judgment of the Supreme Court as reported in the first. No written opinion was given. In the first case of Woodruff against the Merchants' Bank, 25 Wend. 673, it is decided that usage cannot be allowed to control the settled and acknowledged law of the State. The usage sought to be established in that case was, that a bank

check payable a given number of days after date was not entitled to grace. The paper sued upon was a bill payable sixty days after date. The settled and acknowledged law of this State, as settled by our Courts, then was, and still is, that such a bill is entitled to days of grace. The usage sought to be established would have conflicted with the law thus settled [2 Caines' Rep. 343; 12 John. R. 423; 13 John. R. 470.] But it has never been settled or acknowledged law in this State, that sight drafts are entitled to days of grace."

Mr. Irvine said, "the law of England allowing grace on sight drafts is of comparatively recent date. The question appears to have been first raised in England subsequent to the commencement of the American revolution. The city of New York has adhered to the original usage. The change which has taken place has been in England, not in New York. If it were the statute law of New York to allow three days of grace on bills of exchange payable at sight, a custom or usage of merchants to the contrary could not abolish it. But the custom of merchants in New York not to demand days of grace on sight drafts is the original commercial usage. It has been adhered to without change, and contravenes no law of the State. The statute law might hereafter repeal the usage. The usage should now determine the law."

Mr. Lord said, "I cannot suppose the existence of any usage of merchants in this State, in contradiction of the law, either statute or common."

Mr. Campbell said, "there is no law in New York allowing days of grace on sight bills."

Mr. Butterworth said, "the law could not be changed by a local usage of merchants."

Mr. Sedgwick answered, "it is impossible for me to answer satisfactorily, without reference to a great many various and conflicting decisions, further than I have answered, as to the controlling effect of local usage upon the allowance of grace upon sight bills."

The other witnesses did not answer.

6th. "By the constitution and laws of the State of New York, have the merchants of the city of New York the authority or right to repeal, abolish, or change, any principle, either of statute or common law?"

To this interrogatory, Messrs. Sedgwick, White, Irvine, Campbell, and Butterworth, answered in the negative.

Mr. Beck said, "not otherwise than by mercantile usage, consistent with law."

Mr. Duer said, "the merchants of New York have no other or greater authority on this subject, than belongs to merchants in every part of the civilized world. As the law merchant depends upon the usage of merchants, by that usage it may be changed, when the usage is notorious, general and uniform. And this principle is recognised in the laws of foreign countries, as well as our own."

Mr. Lord said, "no, but there may be usages upon matters of convenience, which may sometimes modify the application of the law to particular subjects of business."

7th. "State if you have ever known days of grace to be demanded on sight drafts, and refused after such demand?"

To this interrogatory Mr. Irvine answered,—“two instances, and but

two, have occurred with me in a notarial practice of ten years, in which days of grace were demanded on sight drafts. The first was whilst acting as the notary of the City Bank; in the temporary absence of that officer I presented to the drawee a sight draft, and demanded payment. He declined paying, but offered to accept and pay at the expiration of the three days of grace. I refused. He said in the State from which he came (Massachusetts) bills at sight were entitled to grace. I told him that was by express statute, and differed from the prevailing usage in New York. He, however, insisted on writing his acceptance, and having the bill in his possession behind the counter, did accept the bill in spite of my remonstrance. I returned the bill to Mr. Worth, the cashier (now president) of the City Bank, with a report of the occurrence. He immediately drew his pen through the acceptance, treating it as a perfect nullity, and directed me to protest the bill for non-payment, which I did. The other instance occurred recently. The drawee had read in one of our newspapers a report of the late Louisiana decision, declaring sight drafts entitled to grace, and determined to insist on his presumed legal rights, though admitting that he was prepared to pay the draft. I demanded payment, he offered acceptance, I refused, and he insisting on his right to accept, and refusing to pay, I protested the draft for non-payment."

Mr. Campbell said, "I have known but one instance where grace was demanded on a sight bill. In this case I refused to grant grace, and protested the bill for non-payment. It was paid by the drawee on the morning after it was protested."

All the other witnesses stated that they had never known days of grace to be demanded on sight bills in the city of New York.

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THE ILLINOIS AND MICHIGAN CANAL.—Our New York correspondent furnishes us the following item of intelligence in relation to this canal:

"The Illinois and Michigan Canal has yielded tolls this year to the amount of \$126,000 up to the 10th of November. There had been then 180 days of navigation. The canal was opened on the first of May, but owing to the lowness of water there was much less business done than otherwise would have been. There are now 300 boats on the canal, and preparations being made for building a great many more during the winter. The Calumet feeder will be finished before the opening of navigation next season, which will furnish an additional supply of 5,000 cubic feet of water per minute, so that in another year there will be an ample supply of water and a sufficiency of boats. This will largely increase the trade in many branches, such as lumber, coal, &c., which have not been accommodated this season. The tolls of next season are estimated at \$250,000. The canal debt was \$6,500,000, which was reduced \$800,000 in September, by sale of canal lands. The remaining lands are estimated at \$1,400,000. These when sold will leave a canal debt of \$4,300,000, so that tolls will probably be sufficient next year to pay the full interest upon the canal debt."—*Boston Journal*.



## THE GOLD REGIONS OF CALIFORNIA.

From the National Intelligencer.

Among the documents received by the Secretary of War, and communicated with the President's message, is the following letter from Col. MASON, the military commandant of California, who presents the fullest description we have seen of the gold "placers" of that distant region :

HEADQUARTERS 10TH MILITARY DEPARTMENT,

*Monterey, California, August 17, 1848.*

SIR :—I have the honor to inform you that, accompanied by Lieut. W. T. Sherman, 3d artillery, A. A. General, I started on the 12th of June last to make a tour through the northern part of California. My principal purpose, however, was to visit the newly-discovered gold "placer" in the valley of the Sacramento. I had proceeded about forty miles, when I was overtaken by an express, bringing me intelligence of the arrival at Monterey of the United States ship Southampton, with important letters from Commodore Shubrick and Lieut. Col. Burton. I returned at once to Monterey, and dispatched what business was most important, and on the 17th resumed my journey. We reached San Francisco on the 20th, and found that all, or nearly all, its male inhabitants had gone to the mines. The town, which a few months before was so busy and thriving, was then almost deserted. On the evening of the 24th the horses of the escort were crossed to Sousoleto in a launch, and on the following day we resumed the journey by way of Bodega and Sonoma to Sutter's fort, where we arrived on the morning of the 2d of July. Along the whole route mills were lying idle, fields of wheat were open to cattle and horses, houses vacant, and farms going to waste. At Sutter's there was more life and business. Launches were discharging their cargoes at the river, and carts were hauling goods to the fort, where already were established several stores, a hotel, &c. Capt. Sutter had only two mechanics in his employ, (a wagon-maker and a blacksmith,) whom he was then paying ten dollars a day. Merchants pay him a monthly rent of \$100 per room; and whilst I was there a two-story house in the fort was rented as a hotel for \$500 a month.

At the urgent solicitation of many gentlemen, I delayed there to participate in the first public celebration of our national anniversary at that fort, but on the 5th resumed the journey, and proceeded twenty-five miles up the American fork to a point on it now known as the Lower mines, or Mormon Diggings. The hill-sides were thickly strewn with canvass tents and bush arbors; a store was erected, and several boarding shanties in operation. The day was intensely hot, yet about two hundred men were at work in the full glare of the sun, washing for gold—some with tin pans, some with close woven Indian baskets, but the greater part had a rude machine, known as the cradle. This is on rockers, six or eight feet long, open at the foot, and at its head has a coarse



grate, or sieve; the bottom is rounded, with small cleets nailed across. Four men are required to work this machine; one digs the ground in the bank close by the stream; another carries it to the cradle and empties it on the grate; a third gives a violent rocking motion to the machine, whilst a fourth dashes on water from the stream itself. The sieve keeps the coarse stones from entering the cradle, the current of water washes off the earthy matter, and the gravel is gradually carried out at the foot of the machine, leaving the gold mixed with a heavy fine black sand above the first cleets. The sand and gold mixed together are then drawn off through augur holes into a pan below, are dried in the sun, and afterwards separated by blowing off the sand. A party of four men thus employed at the lower mines averaged \$100 a day. The Indians, and those who have nothing but pans or willow baskets, gradually wash out the earth and separate the gravel by hand, leaving nothing but the gold mixed with sand, which is separated in the manner before described. The gold in the lower mines is in fine bright scales, of which I send several specimens.

As we ascended the south branch of the American fork, the country became more broken and mountainous, and at the saw-mill, 25 miles above the lower washings, or 50 miles from Sutter's, the hills rise to about a thousand feet above the level of the Sacramento plain. Here a species of pine occurs, which led to the discovery of the gold. Capt. Sutter, feeling the great want of lumber, contracted in September last with a Mr. Marshall to build a saw-mill at that place. It was erected in the course of the past winter and spring—a dam and race constructed; but when the water was let on the wheel, the tail-race was found to be too narrow to permit the water to escape with sufficient rapidity. Mr. Marshall, to save labor, let the water directly into the race with a strong current, so as to wash it wider and deeper. He effected his purpose, and a large bed of mud and gravel was carried to the foot of the race. One day Mr. Marshall, as he was walking down the race to this deposite of mud, observed some glittering particles at its upper edge; he gathered a few, examined them, and became satisfied of their value. He then went to the fort, told Capt. Sutter of his discovery, and they agreed to keep it secret until a certain grist mill of Sutter's was finished. It, however, got out, and spread like magic. Remarkable success attended the labors of the first explorers, and in a few weeks hundreds of men were drawn thither. At the time of my visit, but little more than three months after its first discovery, it was estimated that upwards of four thousand people were employed. At the mill there is a fine deposite or bank of gravel, which the people respect as the property of Capt. Sutter, although he pretends to no right to it, and would be perfectly satisfied with the simple promise of a pre-emption, on account of the mill which he has built there at considerable cost. Mr. Marshall was living near the mill, and informed me that many persons were employed above and below him; that they used the same machines as at the lower washings, and that their success was about the same—ranging from one to three ounces of gold per man daily. This gold, too, is in scales a little coarser than those of the lower mines. From the mill Mr. Marshall guided me up the mountain on the opposite or north bank of the south fork, where,

in the bed of small streams or ravines, now dry, a great deal of coarse gold has been found. I there saw several parties at work, all of whom were doing very well; a great many specimens were shown me, some as heavy as four or five ounces in weight, and I send three pieces labelled No. 5, presented by a Mr. Spence. You will perceive that some of the specimens accompanying this hold mechanically pieces of quartz; that the surface is rough, and evidently moulded in the crevice of a rock. This gold cannot have been carried far by water, but must have remained near where it was first deposited from the rock that once bound it. I inquired of many people if they had encountered the metal in its matrix, but in every instance they said they had not; but that the gold was invariably mixed with washed gravel, or lodged in the crevices of other rocks. All bore testimony that they had found gold in greater or less quantities in the numerous small gullies or ravines that occur in that mountainous region.

On the 7th of July, I left the mill, and crossed to a small stream emptying into the American fork, three or four miles below the saw-mill. I struck this stream (now known as Weber's creek) at the washings of Sunol & Co. They had about thirty Indians employed, whom they pay in merchandise. They were getting gold of a character similar to that found in the main fork, and doubtless in sufficient quantities to satisfy them. I send you a small specimen, presented by this company, of their gold. From this point, we proceeded up the stream about eight miles, where we found a great many people and Indians—some engaged in the bed of the stream, and others in the small side valleys that put into it. These latter are exceedingly rich, and two ounces were considered an ordinary yield for a day's work. A small gutter, not more than a hundred yards long by four feet wide and two or three feet deep, was pointed out to me as the one where two men—William Daly and Perry McCoon—had, a short time before, obtained \$17,000 worth of gold. Capt. Weber informed me that he knew that these two men had employed four white men and about a hundred Indians, and that, at the end of one week's work, they paid off their party, and had left \$10,000 worth of this gold. Another small ravine was shown me, from which had been taken upwards of \$12,000 worth of gold. Hundreds of similar ravines, to all appearances, are as yet untouched. I could not have credited these reports had I not seen, in the abundance of the precious metal, evidence of their truth. Mr. Neligh, an agent of Commodore Stockton, had been at work about three weeks in the neighborhood, and showed me in bags and bottles over \$2,000 worth of gold; and Mr. Lyman, a gentleman of education, and worthy of every credit, said that he had been engaged with four others, with a machine, on the American fork, just below Sutter's mill; that they worked eight days; and that his share was at the rate of \$50 a day; but hearing that others were doing better at Weber's place, they had removed there, and were then on the point of resuming operations. I might tell of hundreds of similar instances; but, to illustrate how plentiful the gold was in the pockets of common laborers, I will mention a simple occurrence which took place in my presence when I was at Weber's store. This store was nothing but an arbor of bushes, under which he had exposed

for sale goods and groceries suited to his customers. A man came in, picked up a box of Seidlitz powders, and asked its price. Capt. Weber told him it was not for sale. The man offered an ounce of gold, but Capt. Weber told him it only cost fifty cents and he did not wish to sell it. The man then offered an ounce and a half, when Capt. Weber *had* to take it. The prices of all things are high, and yet Indians, who before hardly knew what a breech cloth was, can now afford to buy the most gaudy dresses.

The country on either side of Weber's creek is much broken up by hills, and is intersected in every direction by small streams or ravines, which contain more or less gold. Those that have been worked are barely scratched; and although thousands of ounces have been carried away, I do not consider that a serious impression has been made upon the whole. Every day was developing new and richer deposits; and the only impression seemed to be, that the metal would be found in such abundance as seriously to depreciate in value.

On the 8th of July I returned to the lower mines, and on the following day to Sutter's, where, on the 10th, I was making preparations for a visit to the Feather, Yubah, and Bear rivers, when I received a letter from Commander A. K. Long, United States Navy, who had just arrived at San Francisco from Mazatlan, with a crew for the sloop-of-war Warren, with orders to take that vessel to the squadron at La Paz. Capt. Long wrote to me that the Mexican Congress had adjourned without ratifying the treaty of peace; that he had letters for me from Commodore Jones, and that his orders were to sail with the Warren on or before the 20th of July. In consequence of these, I determined to return to Monterey, and accordingly arrived here on the 17th of July. Before leaving Sutter's I satisfied myself that gold existed in the bed of the Feather river, in the Yubah, and Bear, and in many of the small streams that lie between the latter and the American fork; also, that it had been found in the Cosummes to the south of the American fork. In each of these streams the gold is found in small scales, whereas in the intervening mountains it occurs in coarser lumps.

Mr. Sinclair, whose rancho is three miles above Sutter's, on the north side of the American, employs about fifty Indians on the north fork, not far from its junction with the main stream. He had been engaged about five weeks when I saw him, and up to that time his Indians had used simply closely-woven willow baskets. His nett proceeds (which I saw) were about \$16,000 worth of gold. He showed me the proceeds of his last week's work—fourteen pounds avoirdupois of clean-washed gold.

The principal store at Sutter's fort, that of Brannan & Co., had received in payment for goods \$36,000 worth of this gold from the 1st of May to the 10th of July. Other merchants had also made extensive sales. Large quantities of goods were daily sent forward to the mines, as the Indians, heretofore so poor and degraded, have suddenly become consumers of the luxuries of life. I before mentioned that the greater part of the farmers and rancheros had abandoned their fields to go to the mines. This is not the case with Captain Sutter, who was carefully gathering his wheat, estimated at 40,000 bushels. Flour is

already worth at Sutter's \$36 a barrel, and soon will be \$50. Unless large quantities of breadstuffs reach the country, much suffering will occur; but, as each man is now able to pay a large price, it is believed the merchants will bring from Chili and Oregon a plentiful supply for the coming winter.

The most moderate estimate I could obtain from men acquainted with the subject was, that upwards of four thousand men were working in the gold district, of whom more than one-half were Indians, and that from \$30,000 to \$50,000 worth of gold, if not more, was daily obtained. The entire gold district, with very few exceptions of grants made some years ago by the Mexican authorities, is on land belonging to the United States. It was a matter of serious reflection with me how I could secure to the Government certain rents or fees for the privilege of procuring this gold; but upon considering the large extent of country, the character of the people engaged, and the small scattered force at my command, I resolved not to interfere, but to permit all to work freely, unless broils and crime should call for interference. I was surprised to learn that crime of any kind was very unfrequent, and that no thefts or robberies had been committed in the gold districts. All live in tents, in bush arbors, or in the open air; and men have frequently about their persons thousands of dollars worth of this gold, and it was to me a matter of surprise that so peaceful and quiet a state of things should continue to exist. Conflicting claims to particular spots of ground may cause collisions, but they will be rare, as the extent of country is so great and the gold so abundant that for the present there is room and enough for all. Still the Government is entitled to rents for this land, and immediate steps should be devised to collect them; for the longer it is delayed the more difficult it will become. One plan I would suggest is, to send out from the United States surveyors with high salaries, bound to serve specified periods.

A superintendent to be appointed at Sutter's Fort, with power to grant licenses to work a spot of ground—say 100 yards square—for one year, at a rent of from 100 to 1,000 dollars, at his discretion; the surveyors to measure the ground, and place the rentor in possession.

A better plan, however, will be to have the district surveyed and sold at public auction to the highest bidder, in small parcels—say from 20 to 40 acres. In either case, there will be many intruders, whom for years it will be almost impossible to exclude.

The discovery of these vast deposits of gold has entirely changed the character of Upper California. Its people, before engaged in cultivating their small patches of ground, and guarding their herds of cattle and horses, have all gone to the mines, or are on their way thither. Laborers of every trade have left their work benches, and tradesmen their shops. Sailors desert their ships as fast as they arrive on the coast, and several vessels have gone to sea, with hardly enough hands to spread a sail. Two or three are now at anchor in San Francisco with no crew on board. Many desertions, too, have taken place from the garrisons within the influence of these mines; twenty-six soldiers have deserted from the post of Sonoma, twenty-four from that of San Francisco, and twenty-four from Monterey. For a few days the evil



appeared so threatening that great danger existed that the garrisons would leave in a body; and I refer you to my orders of the 25th of July to show the steps adopted to meet this contingency. I shall spare no exertions to apprehend and punish deserters, but I believe no time in the history of our country has presented such temptations to desert as now exist in California. The danger of apprehension is small, and the prospect of high wages certain; pay and bounties are trifles, as laboring men at the mines can now earn in one day more than double a soldier's pay and allowances for a month, and even the pay of a lieutenant or captain cannot hire a servant. A carpenter or mechanic would not listen to an offer of less than fifteen or twenty dollars a day. Could any combination of affairs try a man's fidelity more than this? And I really think some extraordinary mark of favor should be given to those soldiers who remain faithful to their flag throughout this tempting crisis.

No officer can now live in California on his pay, money has so little value; the prices of necessary articles of clothing and subsistence are so exorbitant and labor so high, that to hire a cook or servant has become an impossibility, save to those who are earning from thirty to fifty dollars a day. This state of things cannot last forever. Yet from the geographical position of California, and the new character it has assumed as a mining country, prices of labor will always be high, and will hold out temptations to desert. I therefore have to report, if the government wish to prevent desertions here on the part of men, and to secure zeal on the part of officers, their pay must be increased very materially.

Soldiers, both of the volunteers and regular service, discharged in this country, should be permitted at once to locate their land warrants on the gold district. Many private letters have gone to the United States, giving accounts of the vast quantity of gold recently discovered; and it may be a matter of surprise why I have made no report on this subject at an earlier date. The reason is, that I could not bring myself to believe the reports that I heard of the wealth of the gold district until I visited it myself. I have no hesitation now in saying that there is more gold in the country drained by the Sacramento and San Joaquin rivers than will pay the cost of the present war with Mexico a hundred times over. No capital is required to obtain this gold, as the laboring man wants nothing but his pick and shovel and tin pan, with which to dig and wash the gravel; and many frequently pick gold out of the crevices of rocks with their butcher knives, in pieces from one to six ounces.

Mr. Dye, a gentleman residing in Monterey, and worthy of every credit, has just returned from Feather river. He tells me that the company to which he belonged worked seven weeks and two days, with an average of fifty Indians, (washers) and that their gross product was two hundred and seventy-three pounds of gold. His share, (one-seventh) after paying all expenses, is about thirty-seven pounds, which he brought with him and exhibited in Monterey. I see no laboring man from the mines who does not show his two, three, or four pounds of gold. A soldier of the artillery company returned here a few days ago from the mines, having been absent on furlough twenty days. He made by trading and working during that time \$1,500. During these twenty days

he was travelling ten or eleven days, leaving but a week, in which he made a sum of money greater than he receives in pay, clothes and rations during a whole enlistment of five years. These statements appear incredible, but they are true.

Gold is also believed to exist on the eastern slope of the Sierra Nevada; and when at the mines, I was informed by an intelligent Mormon, that it had been found near the Great Salt Lake by some of his fraternity. Nearly all the Mormons are leaving California to go to the Salt Lake; and this they surely would not do, unless they were sure of finding gold there in the same abundance as on the Sacramento.

The gold "placer" near the mission of San Fernando, has long been known, but has been but little wrought, for want of water. This is in a spur that puts off from the Sierra Nevada, (see Fremont's map) the same in which the present mines occur. There is, therefore every reason to believe, that in the intervening spaces of five hundred miles, (entirely unexplored) there must be many hidden and rich deposits. The "placer" gold is now substituted as the currency of this country; in trade it passes freely at \$16 per ounce; as an article of commerce its value is not yet fixed. The only purchase I made was of the specimen No. 7, which I got of Mr. Neligh at \$12 the ounce. That is about the present cash value in the country, although it has been sold for less. The great demand for goods and provisions made by this sudden development of wealth has increased the amount of commerce at San Francisco very much, and it will continue to increase.

I would recommend that a mint be established at some eligible point of the bay of San Francisco; and that machinery and all the necessary apparatus and workmen be sent out by sea. These workmen must be bound by high wages, and even bonds, to secure their faithful services, else the whole plan may be frustrated by their going to the mines as soon as they arrive in California. If this course be not adopted, gold to the amount of many millions of dollars will pass yearly to other countries, to enrich their merchants and capitalists. Before leaving the subject of mines, I will mention that on my return from the Sacramento, I touched at New Almoder, the quicksilver mine of Mr. Alexander Forbes, consul of her Britannic Majesty at Tepic. This mine is in a spur of mountains 1000 feet above the level of the bay of San Francisco, and is distant in a southern direction from the Pueblo de San Jose, about 12 miles. The ore (cinnabar) occurs in a large vein dipping at a strong angle to the horizon. Mexican miners are employed in working it, by driving shafts and galleries about six feet by seven following the vein.

The fragments of rock and ore are removed on the backs of Indians, in raw hide sacks. The ore is then hauled in an ox-wagon, from the mouth of the mine down to a valley well supplied with wood and water, in which the furnaces are situated. The furnaces are of the simplest construction—exactly like a common bake-oven, in the crown of which is inserted a whaler's trying kettle; another inverted kettle forms the lid. From a hole in the lid a small brick channel leads to an apartment or chamber, in the bottom of which is inserted a small iron kettle. This chamber has a chimney.

In the morning of each day the kettles are filled with the mineral, (broken in small pieces) mixed with lime; fire is then applied and kept up all day. The mercury is volatilized, passes into the chamber, is condensed on the sides and bottom of the chamber, and flows into the pot prepared for it. No water is used to condense the mercury.

During a visit I made last spring, four such ovens were in operation, and yielded in the two days I was there, 656 pounds of quicksilver, worth at Mazatlan \$1.80 per lb.—Mr. Walkinshaw, the gentleman now in charge of this mine, tells me that the vein is improving, and that he can afford to keep his people employed even in these extraordinary times. This mine is very valuable of itself, and becomes the more so, as mercury is extensively used in obtaining gold. It is not at present used in California for that purpose, but will be at some future time. When I was at this mine last spring, other parties were engaged in searching for veins; but none have been discovered that are worth following up, although the earth in that whole range of hills is highly discolored, indicating the presence of this ore. I send several beautiful specimens, properly labelled. The amount of quicksilver in Mr. Forbes' vats on the 15th of July was about 2,500 pounds.

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The following communication for the New York Journal of Commerce, in relation to the Gold mines of California, is understood to be from the pen of the Rev. Walter Colton, a writer of some reputation, whose statements may be fully relied upon. (Ed. B. M.)

MONTEREY, *California*, Aug. 29, 1848.

The gold discoveries still continue—every day brings some new deposits to light. It has been found in large quantities on the Sacramento, Feather river, Yubah river, the American fork—north and south branches—the Cosummes, and in many dry ravines, and indeed on the tops of high hills. The tract of country in which it is ascertained to exist, extends some two hundred miles North and South, and some sixty East and West; and these limits are every day enlarging by new discoveries. On the streams where the gold has been subjected to the action of water and sand, it exists in fine grains; on the hills and among the clefts of the rocks it is found in rough, jagged pieces of a quarter or half an ounce in weight, and sometimes two or three ounces.

At present the people are running over the country and picking it out of the earth here and there, just as a thousand hogs, let loose in a forest, would root up ground nuts. Some get eight or ten ounces a day, and the least active, one or two. They make the most who employ the wild Indians to hunt it for them. There is one man who has sixty Indians in his employ;—his profits are a dollar a minute. The wild Indians know nothing of its value, and wonder what the pale face want to do with it;—they will give an ounce of it for the same weight of coined silver, or a thimble full of glass beads, or a glass of grog. And white men themselves often give an ounce of it, which is worth at our mint eighteen dollars or more, for a bottle of brandy, a bottle of soda powders, or a plug of tobacco.

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As to the quantity which the diggers get, take a few facts as evidence. I know seven men who worked seven weeks and two days, Sundays excepted—on Feather river; they employed on an average fifty Indians, and got out in those seven weeks and two days, two hundred and seventy-five pounds of pure gold. I know the men and have seen the gold, and know what they state to be a fact—so stick a pin there. I know ten other men who worked ten days in company, employed no Indians, and averaged in these ten days fifteen hundred dollars each; so stick another pin there. I know another man who got out of a basin in a rock not much larger than a wash bowl, two pounds and a half of gold in fifteen minutes, so stick another pin there! Not one of these statements would I believe, did I not know the men personally, and know them to be plain matter of fact men—men who open a vein of gold just as coolly as you would a potato hill.

The gold is obtained in a variety of ways; some wash it out of the sand with bowls, some with a machine made like a cradle, only longer and open at the foot, while at the other end instead of a squalling infant, there is a grating upon which the earth is thrown, and then water; both pass through the grating—the cradle is rocked, and being on an inclined plane, the water carries off the earth, and the gold is deposited in the bottom of the cradle. So the two things most prized in this world, gold and infant beauty, are both rocked out of their primitive state, one to pamper pride, and the other to pamper the worm. Some forego cradles and bowls as too tame an occupation, and mounted on horses, half wild, dash up the mountain gorges, and over the steep hills, picking the gold from the clefts of the rocks with their bowie knives,—a much better use to make of these instruments than picking the life out of men's bodies, for what is man with that article picked out of him.

A larger party, well mounted, are following up the channel of the Sacramento, to discover where this gold, found in its banks, comes from, and imagine that near the river's fount they will find the great yellow mass itself. But they might as well hunt the fleeting rainbow. The gold was thrown up from the bed of the ocean with the rocks and sands in which it is found; and still bears, where it has escaped the action of the elements, vivid traces of volcanic fire. It often encases a crystal of quartz, in which the pebble lies as if it had slumbered there from eternity; its beautiful repose sets human artifice at defiance. How strange that this ore should have lain here, scattered about in all directions, peeping every where out of the earth, and sparkling in the sun, and been trod upon for ages by white men and savages, and by the emissaries of every scientific association in the world, and never till now have been discovered. What an ass man is, with all his learning! He stupidly stumbles over hills of gold to reach a rare pepper pod, or rifle a bird's nest!

The whole country is now moving on the mines, Monterey, San Francisco, Sonoma, San Jose, and Santa Cruz, are emptied of their male population. A stranger coming here would suppose he had arrived among a race of women, who, by some anomalous provision of nature, multiplied their images without the presence of the other sex. But not a few of the women have gone too, especially those who had got out

of tea—for what is a woman without her tea-pot—a pythoiness without her shaking tripod—an angel that has lost his lyre. Every bowl, tray, warming pan, and piggin, have gone to the mines. Every thing, in short, that has a scoop in it that will hold sand and water. All the iron has been worked up into crow bars, pick-axes and spades. And all these roll back upon us in the shape of gold. We have therefore plenty of gold, but little to eat and still less to wear. Our supplies must come from Oregon, Chili, and the United States. Our grain gold, in exchange for coin, sells for nine and ten dollars the ounce, though it is well known to be worth at the mint in Philadelphia eighteen dollars the ounce at least. Such is the scarcity of coin here.

We want a mint. Let congress send us one at once over the Isthmus; else this grain gold goes to Mazatlan, to Chili and Peru—where it is lost to our national currency. Over a million of gold, at the lowest computation, is taken from these mines every month—and this quantity will be more than doubled when the emigration from the States, from Oregon, the Sandwich Islands, and the Southern republics, arrives. Send us a mint! I could give you forty more illustrations of the extent and productiveness of these mines, but no one will believe what I have said without my name, and perhaps but few with it.

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OFFICIAL CORRESPONDENCE.

WAR DEPARTMENT, *Washington, December, 8, 1848.*

Sir:—I have received several specimens of the gold recently discovered in California; and Lieut. Col. Cooper, who is the bearer of this letter, will place in your hands a quantity of this metal, for the purpose of having it assayed. As doubts exist in the minds of some as to its being gold, I hope it will be in your power to resolve them at once, and furnish me, through him, with the result of your examination, so far as respects its genuineness. You will consult your convenience in presenting a more full and particular report; but I desire it at an early period. I have not the means of ascertaining the exact weight of the specimens herewith sent. The large quantity—that in the tea-caddy—is a collection from the various localities where the metal is found. The note which accompanies it states its weight to be 230 ounces, 15 pennyweights, and 9 grains; but I presume it will be found to fall short of that quantity, as some of the finer particles have sifted out, notwithstanding the pains taken to guard against loss. In order to have a specimen of it here, I request you to deliver *one pound* of it, or about that quantity, to Colonel Cooper, to bring back. If the metal is found to be pure gold, as I doubt not it will be, I request you to reserve enough of it for the two medals ordered by congress which are not yet completed. The remainder, with the exception of one or two small bars, I wish to have coined, and sent with the bars to this department. As many may desire to procure a specimen of coin made of the California gold, by exchanging other coin for it, I would suggest that it be made into quarter eagles, with a distinguishing mark on each, if any variation from the ordinary issues from the mint would be proper and could be conveniently made.

I send you a specimen of metal, also from California, very small in quantity, marked platina, which I request you to test and report the result.

As much curiosity exists as to the character, quality, &c., of this newly discovered mineral, I respectfully request that your final report may be such as will furnish the fullest information on the subject.

I also send by Col. Cooper a quantity of *cinnabar*, obtained not far from the place where the gold was found, in the hope that you have at the mint the means of ascertaining the per centage of quicksilver it contains. Your report on this ore will also be highly interesting to the public. I hope to be favored with the result of your examination of this specimen as soon as it can be conveniently prepared.

Very respectfully, your obedient servant,

W. L. MARCY, Secretary of War.

R. M. PATTERSON, Superintendent United States Mint, Philadelphia.

UNITED STATES MINT, *Philadelphia, December 12, 1848.*

*Sir:*—I have the honor to enclose to you a statement showing the weight, fineness, and value of the California gold, brought by Colonel Cooper to the mint, pursuant to your instructions. One pound (troy) of the grains, as requested by you, was sent to Washington by Colonel Cooper. The amount deposited at the mint it was deemed proper should be entered as an ordinary deposit in your name, and subject to the usual routine of the mint. It will be paid on your order, and the return of the bullion receipt given to Colonel Cooper. As intimated by you in your letter to the director of the mint, a portion of the amount can be reserved for medals, and the balance paid in coin to such person as you may direct. Whatever co-operation may be required on my part to carry out your excellent suggestions will be promptly given.

I have the honor to be, very respectfully, your obedient servant,

JAMES ROSS SNOWDEN, Treasurer United States Mint.

Hon. W. L. MARCY, Secretary of War.

*Memorandum of Gold Bullion, deposited the 11th day of December, 1848, at the Mint of the United States, at Philadelphia, by William L. Marcy, Secretary of War.*

Description of bullion.	WEIGHT		Fineness.	Value.	Deduction.
	Before melting.	After melting.			
	oz. dec.	oz. dec.	1000ths.		
From California, grains,	216 00	211 46	894½	\$3,910 10	None

Three thousand nine hundred and ten dollars and ten cents.

GEO. W. EDELMAN, for the Treasurer of the Mint.

MINT OF THE UNITED STATES, *Philadelphia, Dec. 12, 1848.*

*Sir:*—I have the honor to acknowledge the receipt of your letter of the 8th instant, brought by Lieut. Col. Cooper, with specimens of gold, platina, and cinnabar, from California.

Colonel Cooper has returned to you with all the information immediately required as to the parcels of gold which you sent. Our operations on a still larger deposit from the same region have led to the following results, which I have reported to the Secretary of the Treasury.

The fineness of the California gold varied from 892 to 897 thousandths; the average of the whole being 894. This is nearly equal to the standard of our coins, which is 900. The average value per ounce troy of the bullion before melting is \$18 05½; that of the same in bars after melting is \$18 48.

Your instructions with regard to the gold shall be carefully attended to.

The grains which you sent, marked platina, are proved to be of this useful metal, by their having the specific gravity of 18; which is high for the metal in this form.

An analysis of the cinnabar brought by Col. Cooper is undertaken by our assayer, Mr. Eckfeldt; and also by Professor Booth. The results shall be made known to you as soon as they are ascertained.

Very respectfully, your faithful servant,

R. M. PATTERSON, Director.

To Hon. W. L. MARCY, Secretary of War.

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#### STATE FINANCES.—VIRGINIA.

Extracts from the Annual Message of Governor Smith to the Legislature of Virginia,  
December, 1848.

*To the General Assembly of Virginia:*

GENTLEMEN:—In my last annual message I informed you that the balance in the treasury on the 30th of September, 1847, available for the uses of the then existing fiscal year, was \$127,114 02, and that there would be probably in the treasury, on the first day of October, 1848, the sum of \$145,000; but, as will be seen from the treasurer's report, the actual balance is only \$104,251 37. This apparent deficiency, however, does not actually exist, there being in the hands of the various State agencies connected with our internal improvements about \$30,000; while the payments from the treasury to roads authorized by the last assembly are larger than in the year preceding. In fact, our State is steadily improving in population and wealth, our revenue having been increased about five per cent. within the past year, not by an increase in the rate of taxation, but by an increase in the number of subjects upon which it has been assessed. I herewith communicate a table prepared in the first auditor's office, illustrating this pleasant and agreeable fact, in which the number of almost every subject of taxation, and the amounts collected on each, for the three last years, will appear. In further illustration of these conclusions, I herewith communicate the first auditor's annual report, together with a tabular statement of population, &c.; and also the treasurer's annual report.

The condition of our revenue, highly gratifying as it must be to every

Virginian, will not enable us, without some new provisions of law, to meet the heavy liabilities which have been authorized by the general assembly at their two last sessions. The general assembly at its session of 1846-7, authorized liabilities to the amount of \$2,887,800; of which, up to the first day of October last, \$849,453 59 cents was paid. Of the remainder, it is highly probable that about \$261,600 will not be required; \$744,000 of the loan to the James River Company is provided for; leaving \$1,032,766 41 of those appropriations for which provision must be made at an early day. At your last session various acts were passed authorizing liabilities to the amount of \$1,908,830. Of this, about \$149,000 has been paid, and upwards of \$400,000 will certainly be required. Of the residue, amounting to about \$1,300,000, it is highly probable nothing will be called for except the appropriations to the New Shenandoah Company, and the Alexandria and Orange Railroad Company, two improvements of great importance to the country through which they pass, and to one of our principal towns. So that the almost certain demands upon the treasury, under the various laws of your two last sessions, will amount to not less than \$2,000,000, exclusive of the loan to the James River and Kanawha Company; of which large sum about \$1,500,000 will be required in the years 1849 and 1850.

How is this very considerable amount to be obtained? The law now directs it to be raised by loans; but I am satisfied that we cannot rely upon that means alone punctually to meet our engagements. It is to be remembered that State bonds, to the amount of about \$800,000, have been sold in this market during the two years preceding the 1st day of October last; that the James River and Kanawha and other companies, now hold for sale bonds to the amount of \$228,000; and that the James River and Kanawha Company have now a right to demand, and will have at different periods on or before the first day of January, 1849, State bonds to the aggregate amount of \$744,000; all of which will seek a market. In the face of this early demand upon the surplus capital of our citizens by companies actively engaged in prosecuting their works, can it be prudent to rely upon loans only to meet our State engagements? To do so, and actively press the sale of our State bonds, might not only impair our unsullied credit, but seriously injure companies we have undertaken to aid. Much the larger portion of our State bonds is held by our own citizens, and nearly all the recent investments therein have been made by them; and it is of great importance to our prosperity that this policy should be encouraged, which in no way can be so effectually done as by keeping the supply short of the demand; thus giving an assurance to those who invest in our stock, that it will not depreciate. I do not think that we can safely rely upon loans for more than \$400,000 per annum—the treasury can spare, for the uses of the next year, about \$200,000, and I can see no other resource but taxation, or the sale of bank stock, when it can be made at par, for the residue, amounting to about \$150,000. Our bank stocks are now in fine credit, and producing handsome dividends; and I deem it indispensable to the proper support of our State credit, that the second auditor should be clothed with the power of disposing of them, when necessary, to meet any public exigency. If the companies in which



the State has embarked, and the works that she has undertaken on her own account, proceed with the spirit with which they have commenced, I am confident that \$1,500,000 is the least sum that will suffice to meet the public engagements up to the end of the year 1850. And to prevent an enlargement of this sum, you will have to pass an act similar to the one passed on the 7th of March, 1840, entitled "an act directing the suspension of surveys and subscriptions on the part of the State," which I earnestly recommend.

In my former annual communications, I presented to the general assembly the importance of digesting a system of internal improvements which should be confined to two great railroads,—the indispensable necessity of deferring all secondary works until those should be completed—the certainty when that period arrived of realizing an income sufficient rapidly to complete every work in which private capital would engage—and I appealed to the pride, patriotism and wisdom of your predecessors for the adoption of this policy, but I appealed in vain. County roads, sectional schemes, improvements that properly belonged to the past or the future, found favor with the general assembly, thereby absorbing, to a great extent, the resources of the State, without contributing essentially to her improvement, or advancing in but slight degree, if at all, to the completion of the great works indispensable to the attainment of that high destiny to which she is properly entitled.

I again respectfully ask your attention to our usury laws. From much experience in the business affairs of men, I am satisfied they ought to be repealed; for, undoubtedly, they increase the price of money by increasing the hazard of losing it, and frequently cripple business by preventing conscientious men from lending at current rates, who, sooner than violate the law, will keep their money by them, idle and unproductive.

Usury, as originally understood, was taking of any increase for the loan of money. The Israelites were forbidden to lend money at usury to their brethren. Says Moses, "thou shalt not give him thy money upon usury, nor lend him thy victuals upon increase."

This ordinance of the Great Lawgiver was adopted by the Christian church, and for centuries its violation was denounced as a mortal sin, and enforced with such severity as to throw the business of lending money into the hands of the Jews and Lombards. At length the error of this policy became so apparent, and its injurious effects so serious, that the political power of the State was compelled to interfere, and about four hundred years ago it was made lawful to lend money upon increase. But wedded to ancient error, and yielding to the religious prejudices of the day, our ancestors, established a rate of interest which all persons were forbidden to exceed under heavy penalties. And such has remained the policy of the most enlightened nations until the reign of her present majesty the Queen of England, during which the laws of usury have been repealed in her dominions except in relation to loans on mortgages; and they have also been extensively modified in many of the States of our Federal Union. During this whole period, under the Mosaic dispensation, the canons of the Christian church, and the acts and rescripts of political power, it may be safely affirmed that the prac-

tice of usury has never ceased. This long experience of the utter inability of laws, sacred and profane, to prevent loans on usury, ought to satisfy every statesman that the policy is radically wrong, and contrary to some great principle of public necessity, and ought therefore to be abandoned.

The true definition of interest is the price paid for the use of money, which price is wholly dependent upon demand and supply. It is manifestly impossible for laws to regulate such price, depending as it does upon the various operations and wants of men. Our ancestors attempted in vain to regulate the price of labor and commodities; the remnants of which policy still remain to us in the offences of forestalling, regrating and engrossing, and combinations among workmen to raise wages. These laws are practically obsolete, but are not more distinguished for folly than the policy which still maintains the usury laws.

The great argument in favor of these laws is that they will protect the borrower against the rapacity of the money lender. But is that the fact? Do we not know it to be otherwise? The hazard of losing any commodity, not money, however, more than anything else, always enters into the price demanded for its use. If you leave men to regulate this element, the borrower to reduce the hazard by increasing the certainty of his security, the rate will necessarily be much diminished. This is not only known to be true from the conclusions of all writers upon political economy, but from the highest evidence of our own reason and experience. But when the law steps in, and disregarding the security which the borrower may have given, confers on him the power of paying or not at his will, the hazard becomes obviously so imminent, that no lender will incur it without the only indemnity at his command, a premium sufficiently large to cover the losses occasionally to be expected from the dishonest borrower.

It is in vain for the law to attempt to regulate the dealings of men in money. It may corrupt them, it may continue to sacrifice thousands, as it has heretofore done, but the practice of usury will continue so long as it is interdicted by law. No man will pay 6 per cent. for money when he can obtain it for five per cent.; nor will he lend money at 6 when it is worth 7 in the market; and the inevitable consequence of legal restraints upon money dealing is to diminish the supply, and of course to enhance the price. By repealing the usury laws, and allowing every man to be his own chapman, competition would prevent the making of extraordinary profits, just as certainly as it now does in every other department of capital and industry. The Bank of England is, I believe, now taking three per cent. on loans of money; while about two years ago it discounted at the rate of eight per cent. with immense advantages, no doubt, to the business interests of that kingdom.

Had the bank been prohibited from discounting at that rate, and had therefore wholly declined affording such facilities, many a commercial house would have been declared bankrupt at once, or have fallen into the hands of usurers, ultimately for a similar destiny, which are now in high credit and prosperous condition. Thoroughly satisfied that the usury laws are immoral in their tendencies, pernicious in their effects, and destructive of those they undertake to befriend, I urgently recommend their unconditional repeal.



# FINANCES OF THE UNITED STATES.

Extracts from the Annual Report of the Secretary of the Treasury, December, 1848.

## TREASURY DEPARTMENT, *December 9, 1848.*

In obedience to law, the following report is submitted :

The receipts and expenditures for the fiscal year ending June 30, 1848, were—

From customs,	\$31,757,070 96
From Public Lands,	3,328,642 56
From Miscellaneous sources,	351,037 07
From avails of Loans and Treasury Notes,	21,256,700 00

Total Receipts,	56,693,450 59
Add balance in the Treasury 1st July, 1847,	1,701,251 25

Total Means,	58,394,701 84
The Expenditures during the same fiscal year were	58,241,167 24

Leaving a balance in the Treasury July 1, 1848, of,	153,534 60
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I renew my recommendations contained in all my annual reports for the establishment of a branch of the mint of the United States at the city of New York. That city, our great commercial metropolis, is advancing to its ultimate position, so important to the whole country, as the emporium of universal commerce, the centre of international exchanges, and the storehouse of the products of the world. To attain this result, we must secure for our great emporium (in competition with foreign cities) the command of her due proportion of coin and bullion. Now it is clear that where bullion cannot be coined, and no re-coinage can take place, this cannot be accomplished. America is the great continent of the precious metals; they are now found in extraordinary quantities in our own Union, and to a vast extent in countries adjacent; yet nearly all this coin and bullion are diverted to other countries, and especially to Great Britain, being one of the chief instruments in aiding that country in maintaining her command of the business of the world. By steamships and by exports of her own products and fabrics, she accumulates coin and bullion in London, and provides for their coinage and re-coinage in the least time and without expense; and yet, in our own commercial emporium, we have no mint or even a branch mint for the important process of coinage or re-coinage. If we would command the commerce of all nations, it must be through some one American commercial emporium, the great centre of our own trade and business. The history of trade demonstrates that some such great point is indispensable to enable any nation to command universal commerce, and that such concentration at some one city, instead of injuring other cities or parts of the same country, is of immense benefit to all. There cannot be two or more financial centres of the foreign commerce of any one

nation, any more than there can be two or more centres of a circle. The same principle of the centre of the trade of a nation applies to the trade of the world. There can be but one such centre for the world, and but one for each nation, which, in this country, from natural causes, must be New York, where the competition must soon commence with foreign cities for the control of international commerce. Now, as the command of the specie of the world is of immense benefit to our whole country, and can only be secured by making one of our own cities the centre of universal commerce, it is indispensable to success in this great American enterprise that specie and bullion should be invited from all the world to New York—not by any unjust advantages, but by giving to it equal facilities with our other cities for coinage and re-coinage.

It is not for New York merely, or for its commerce, that this mint is desired, but for the benefit of the whole Union. The storehouse of the goods and products of the Union must become the storehouse of its specie. Where the commerce and goods are, there the representatives of their value must be also; and there also should be every facility which a mint would give for increasing these circulating values, and for bringing them into immediate and active use in any form which might be desired. It is in vain to say that the specie or bullion brought by our commerce to New York, can be sent to a distant point where there is a mint with but little delay, risk, or expense. It is clear there must be some risk, delay, and expense, operating as a tax on the business of our commercial emporium, and to that extent rendering unequal her contest with European cities for universal commerce. Coinage and re-coinage should be immediate, without any risk, expense, or delay; and it might be said as regards merchandize, with nearly the same truth as is urged in relation to specie, that it would be no injury to the commerce of the Union if light and costly articles would be sent at but trifling expense, risk, or delay, from New York to some distant city, there be stamped, marked, or labelled, and then returned to New York for sale and distribution in the general markets of our own country or of the world. It seems to be forgotten by those who present such arguments, that in a great commercial capital, where business to the amount of millions of dollars is transacted from ten to three o'clock, how important time is where the delay of a day, nay often an hour, may be most disastrous, and change the balance of profit to loss. Merchants and men of business should be permitted to exchange their bullion or foreign coin for American in a few hours or moments, as could be done at a mint, or receive at once mint certificates of deposit, which often might be to them of the greatest importance. The trade in bullion and specie, in itself one great branch of commerce, indispensable in the transaction of business, and especially of international exchange, already exists, to a great extent, in New York, but is limited in diffusing its benefits to American commerce and exchanges by the want of a mint. Now it is subject to expenses, risk, and delay, to put it into a form for circulating values, that delay being itself a great loss of capital, whilst the foreign coin, consisting of denominations unknown to the great body of our people, is almost useless for the purpose of general circulation. It is the rapidity of the circulation of coin that gives it its chief value, and

accumulates capital by the speedy realization of profits; and the American eagle, or half eagle, and our other decimal coinage, might, in a few months, perform more of the functions of money, and pass more rapidly through a greater variety of hands, than if it were in some foreign and unknown coin, which would not circulate among our people. Hence it is, that a mint at New York, to give activity to our specie circulating capital, by converting it at once into American, would be of vast importance to the whole Union. Credit, when based upon real capital, is highly beneficial to the commerce of the country. And specie is one of the main pillars upon which credit can repose with assured confidence, and we must have that specie as the basis of such a credit at our commercial emporium, if we indeed desire to make it the centre of international exchanges.

With a view to augment the circulation of our own coin in our own country, this department has arrested, as far as practicable, the payment of foreign coin out of the treasury, requiring it to be re-coined into American coin; by which means it has been enabled, between the 1st March, 1845, and 30th October, 1848, to coin at our mints (per table K) the sum of \$38,717,709 22, which, from the 1st of March, 1845, to the 1st of March, 1849, must exceed \$40,000,000, being a larger sum than was coined in thirty-eight years preceding, from 1793 to 1830, inclusive. But whilst the department will have coined, from the 1st March, 1845, to the 1st March, 1849, more than \$40,000,000, the amount would have been augmented to the extent of several millions of dollars of every year, if there had been a branch of the mint at the city of New York. This is proved by the fact that most of the foreign coin sent from New York and other points to Philadelphia for re-coinage has been that portion which was received for government dues, and transferred, mainly, not by the people or merchants, but by the order of this department, from the several government depositories, and but little coin, comparatively, has gone from New York, transmitted voluntarily by individuals for re-coinage, to Philadelphia. Individuals will not, to any great extent, subject themselves to the risk, expense, and delay of this process, whereas the whole of the coin and bullion, amounting to many millions of dollars, that comes to New York by the operations of commerce, or by emigration—now a very large sum—would all be changed into American coin, if there were a mint at that city. Having no branch at the great centre of American commerce, our mint, notwithstanding the great ability and fidelity with which its business is conducted at Philadelphia, is not, to the extent it should be, the mint of the people, and convenient for the coinage of their bullion and foreign coin, and especially the large amount brought by emigrants into the Union, estimated at \$8,000,000 per annum, but is used chiefly, so far as regards other cities, for that of the government; whereas it ought to be the mint of the government and people, and for the benefit of both, and can only fully become so by the location of a branch as recommended. The amount of foreign coin re-coined at Philadelphia from 1st March, 1845, to 30th November, 1848, on transfers ordered, or deposits by officers of this government directed by me, was (per table Q hereto annexed) \$11,463,181—being nearly equal to the whole remaining coinage there during the same period, including plate and bullion.

The branch mint would be most important as auxiliary to the operations

of the constitutional treasury; for the present Assistant Treasurer at New York would then become the treasurer of the branch mint, and perform both functions, precisely as is now done at Philadelphia and New Orleans, saving the expense of an increase of officers, preventing double entries and payments, and simplifying the operations of the government; and to the government and the merchant, the risk and cost of the double custody, and transfer from the collector to the Assistant Treasurer, would be entirely saved.

From the 1st of January, 1847, to 30th November, 1848, the merchants of New York paid to the collector (per table L) for duties the sum of \$35,360,678 36 in specie, being two-thirds of the aggregate payment in specie for duties in the Union. Yet, whilst the government exacted from these merchants this immense sum in specie for duties, it refuses them even a branch of the mint where bullion can be coined, or foreign coin re-coined, the mere establishment of which would attract there so much specie, and render the payment of this large amount so much more easy. The amount of specie received by the Assistant Treasurer at New York from 1st January, 1847, to the 30th November, 1848, was \$57,328,369, and the coin disbursed by him there during the same period was \$55,496,269; making an aggregate of \$112,824,638, (per table—.)

With a branch mint at New York, the transactions of business would be undisturbed by the operations of the constitutional treasury.— It is true, that even with such a branch there, the collection of duties in specie would operate as a check, not upon the issues, but upon the over-issues of their banks; a gentle and most useful check, restraining their over-issues, and mitigating if not preventing those revulsions which are sure to ensue when the business of the banks, and as a consequence, that of the country, is unduly extended. Credit is useful and most abundant only when it is based upon capital and specie, and a legitimate business and commerce. But when it is stretched beyond those limits, it necessarily produces revulsions, disastrous not only to the parties involved, but to the commerce and business of the whole country. It is this fatal tendency to over-issues, and the too great and dangerous extension of their business, which constitute the greatest objection to our banking system; and those banks which are based on a sound capital, and desire to conduct their business advantageously to themselves and to the country, ought to rejoice that such others as would transcend these limits are checked and restrained by the demand for coin created by the specie-receiving and specie-circulating constitutional treasury. During the year 1847, when more than twenty-four millions of specie were brought into the country, and to a great extent paid in for duties and loans to the government, had this coin gone into the banks, as under the old State-bank deposit system to a great extent it must, and have been made the basis of an inflated currency, far exceeding that of 1836, it would have been followed, upon the sudden fall of the price of our breadstuffs and staples, and the turn of exchange and flow of specie out of the country, by a revulsion more disastrous than that of 1837. The fall would have been from a greater inflation to a lower depression, the intensity of the disaster being augmented by the loans and expenses

of a foreign war, by the drain of specie to sustain immense armies in foreign countries, by depreciation of government loans, and the fall of the government credit. The public credit under that system being inseparably connected with that of the banks as its depositories, the government having no specie and depending upon their paper, its credit must have fallen with that of the banks, as happened in 1837, and during the war of 1812; and loans for specie (which were indispensable) could only have been obtained as they were during that war, at ruinous discounts amounting to millions of dollars per annum. Instead of these sacrifices, the public credit was maintained throughout the war, and its stocks sold for high premiums instead of ruinous discounts.

A system which has operated so beneficially both in war and in peace, must, in the main, be wise and salutary; but it would be still more so, if the amendments heretofore recommended by this department were adopted, especially as regards the securities for disbursements (without which the system is not safe) and the establishment of a branch mint at New York, as a most important auxiliary. With these amendments, affecting none of the principles of the bill, and especially its specie-receiving and specie-circulating clauses, it would so commend itself to the whole country, and prove so beneficial to its industry, commerce, and business, as to become our settled policy, undisturbed by complaint or opposition from any quarter.

\* \* \* \* \*

It being made by law the duty of this department to devote its attention to "THE SUPPORT OF PUBLIC CREDIT," as well as to "*the improvement and management of the revenue*," it is proper to remark that this government has paid punctually at all times the public debt at its maturity, as well as the accruing interest, never suspending for a moment of time the discharge of either when due. Such has been the attachment of the American people to this the government of their choice—such their regard for honor and good faith—that, however severe the trial or sacrifice, they have liquidated as they fell due all the debts of the Union.

A table certified by the Register of the Treasury is hereto annexed, (marked N.) showing our population from 1790 to the present period, of every year; our debt; our receipts from loans and treasury notes; our revenue each year, exclusive of loans and treasury notes, as well as from these loans and notes; and the principal and interest of debt paid each year, as well as the total amount. It is an official record which every American may read with pride and satisfaction. It shows that whenever it was necessary to pay the debts and sustain the honor of the country, the people cheerfully submitted not merely to duties on imports, but to direct taxes and excises to the amount of many millions of dollars every year; and that even when our population was sparse and our moneyed resources extremely limited, the debts of the country were always punctually discharged after the adoption of the constitution, both principal and interest, at their maturity.

In 1790 we assumed the debt of the revolution, determined that the honor of the nation should be preserved stainless and unsullied. That debt, then assumed, was \$75,463,476 52—being equal to a debt at this

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date of more than \$377,000,000, according to population, and nearly six times greater according to population, than our present debt. At that date the country, exhausted by a seven years war, and weakened by the internal difficulties growing out of the feeble character of the old confederation, had scarcely commenced her onward career to greatness, wealth, and power; yet this debt was voluntarily assumed as a matter of honor, and it was paid, including principal and interest, punctually, without failure or suspension.

Again, at the close of the war of 1812, our debt in 1816 was \$127,334,933 74—a portion of it bearing an interest of seven per cent.; yet that debt, also, was not only fully paid in 1836, both principal and interest, but the government, after liquidating all its engagements, had a surplus left in the treasury of \$28,101,644 91; which was deposited with the States for safe keeping, who may be called upon to return it to the government of the Union, should the emergency ever require its use, which is most improbable. At that date the country had been exhausted by a prolonged and severe struggle with the greatest power of the world, and its commerce almost annihilated by blockades and embargoes. Its population, then, was 8,678,000; and consequently, according to population, the debt of that date would be equivalent to a debt at the present period of upwards of three hundred and eight millions of dollars, or nearly five times as great as our present debt. Yet that debt of 1816 was not only punctually paid within twenty years thereafter, but a surplus, as we have seen, of more than twenty-eight millions of dollars deposited with the States. If, then, in twenty years, under such circumstances, and with such a population and such resources, we could pay a debt of that magnitude and have a surplus of twenty-eight millions, within how short a period may we liquidate our present engagements? By reference to this table it will be seen that from 1790 to the present period, including the reimbursement of treasury notes, we have paid a public debt, including interest, amounting to a totality of upwards of five hundred millions of dollars. By reference to the same table, it appears that our revenue during the same period, derived from resources other than loans or treasury notes, was upwards of eleven hundred and thirty-six millions of dollars. It will be perceived that our present debt, including the whole of the loan yet to be paid in, and deducting the purchase directed by this department of about \$500,000 of the public debt within the last few weeks, would be about \$65,278,450 41, (see table O;) but to which must be added about \$26,000 for Mexican and bounty-land scrip. Our whole debt, including the loan yet to be paid in, is not a sixtieth part of the debt of Great Britain, and less than one-half the annual interest of that debt.

According to a table of the Commissioner of the General Land Office, hereto annexed, it appears that our whole public domain unsold amounts to 1,442,217,837 acres, which at the present minimum price of \$1.25 per acre, would make an aggregate value of \$1,802,772,296. Regarding them, however, including our mineral lands at twenty-five cents per acre, they would yield \$360,554,459. Large as is this sum, our wealth as a nation would be more rapidly increased by the sales of all our agricultural lands at low rates, not exceeding twenty-five cents



The attention of Congress is respectfully invited to the condition of the public lands in California. The official reports of the great mineral wealth of that region, present important questions for your consideration. That gold and quicksilver exist to a great extent in California, would seem to be placed beyond controversy. This gold would appear to require the establishment of a branch of the mint of the United States at San Francisco. The quicksilver is not only important as connected with the mining of the precious metals, with health and the arts, but still more with the advance of science and the progress of discovery in physics. The mines of gold, and perhaps of other minerals, would seem to be located chiefly on the public lands. They belong to the government as a trustee for the people, whose interests should be protected and secured by Congress. A scientific commission, to make a geological examination, accompanied with linear surveys, is deemed important.

\$20,000	.	.	at 89	\$5,000	.	.	at 87.25
10,000	.	.	at 88.25	10,000	.	.	at 87
10,000	.	.	at 88.12-5	5,000	.	.	at 86.25
10,000	.	.	at 88.10	10,000	.	.	at 86
50,000	.	.	at 88.03	2,000	.	.	at 85.25
470,000	.	.	at 88.02	19,000	.	.	at 85
65,000	.	.	at 87.50				
				<u>          </u>			
				\$686,000			

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## BANK STATISTICS.

*Comparative view of the condition of the Bank of Cape Fear and Six Branches,  
1845, 1846, and 1848.*

LIABILITIES.	May, 1845.	May, 1846.	Nov. 1848.
Capital, . . . . .	\$1,500,000	\$1,500,000	\$1,500,000
Circulation, . . . . .	1,133,483	1,523,292	1,357,625
Dividends unpaid, . . . . .	642	249	420
Individual deposits, . . . . .	194,769	202,567	192,335
Bank balances, . . . . .	34,713	16,627	17,526
Surplus, . . . . .	124,706	75,265	79,435
Total Liabilities, . . . . .	\$2,988,318	\$3,323,000	\$3,147,341
RESOURCES.			
Discounted Notes, . . . . .	\$1,826,418	\$1,917,906	\$1,771,883
Bills of Exchange, . . . . .	24,489	.....	239,337
Bank balances, . . . . .	417,951	656,725	65,037
Notes of other Banks, . . . . .	213,928	229,206	142,185
Specie on hand, . . . . .	438,710	552,515	608,162
Real Estate, . . . . .	66,822	66,648	70,737
U. S. Stock and Treasury Notes, . . . . .	.....	.....	250,000
Total Resources, . . . . .	\$2,988,318	\$3,323,000	\$3,147,341
Debt due by the directors of the parent bank and its six branches, . . . .			\$120,255
Debt due by stockholders, . . . . .			170,316

*Liabilities and Resources of the Bank of Cape Fear and its Six Branches, on  
the 28th November, 1848.*

RESOURCES.		
Bills and Notes Discounted, . . . . .		\$1,771,892 80
Bills of Exchange—Foreign, . . . . .		239,336 92
United States Stock and Treasury Notes, . . . . .		250,000 00
DUE BY BANKS, VIZ:		
Union Bank, Boston, . . . . .	\$739 70	
Massachusetts Bank, . . . . .	218 24	
Merchants' Bank, New York, . . . . .	3,510 95	
Bank of New York, . . . . .	14,191 79	
Bank of America, . . . . .	4,402 57	
Bank of North America, Philadelphia, . . . . .	2,129 62	
Farmers and Mechanics' Bank, do. . . . .	2,003 03	
Bank of the United States, . . . . .	18,448 86	
Merchants' Bank, Baltimore, . . . . .	146 40	
Bank of Virginia, . . . . .	952 75	
Farmers' Bank of Virginia, . . . . .	958 51	
South Western R. R. Bank, . . . . .	22 86	
Bank of Hamburg, S. C., . . . . .	846 61	
Merchants' Bank, Cheraw, . . . . .	1 00	
Planters and Mechanics' Bank, Charleston, . . . . .	5,352 57	
Bank of the State of N. Carolina, Fayetteville, . . . . .	7,000 00	
“ “ “ Tarboro', . . . . .	1,076 21	
“ “ “ Elizabeth City, . . . . .	853 64	
Merchants' Bank of Newbern, . . . . .	309 65	
Commercial Bank, Wilmington, . . . . .	1,872 97	65,037 93
Notes of North Carolina Banks on hand, . . . . .	90,190 00	
Notes of Foreign Banks on hand, . . . . .	51,995 00	142,185 00
Specie, Gold and Silver change, . . . . .		608,161 72
Real Estate, . . . . .		70,737 18
Total, . . . . .		\$3,147,341 55

## LIABILITIES.

Capital Stock, . . . . .		\$1,500,000 00
Bank Notes issued, payable at		
Wilmington, . . . . .	\$792,868 50	
Fayetteville Branch, . . . . .	353,471 00	
Salem " . . . . .	187,158 50	
Washington " . . . . .	243,314 50	
Salisbury " . . . . .	292,102 50	
Raleigh, " . . . . .	56,880 50	
Asheville " . . . . .	237,575 00	
Deduct Notes on hand, . . . \$795,745 50 . . . . .		1,357,625 00
Deposites, . . . . .		192,334 98
Dividends unpaid, . . . . .		420 00
Due Bank of Baltimore, . . . . .	1,058 92	
" Exchange Bank of Virginia, . . . . .	1,749 01	
" Bank of Charleston, . . . . .	3,560 45	
" Bank of the State of N. C., Wilmington, . . . . .	2,903 95	
" " " Newbern, . . . . .	175 57	9,447 90
Contingent Fund, . . . . .	63,702 34	
Profit and Loss, . . . . .	15,732 68	79,435 02
In transitu, . . . . .		8,078 65
Total, . . . . .		\$3,147,341 55

**LAFFITTE**, (James or Jacques) an eminent French banker, was born in 1767. In 1778 he went to Paris, and was appointed to a situation in the house of M. Perregaux the rich Swiss banker. From being a simple clerk, he soon rose to be cashier, then partner, and finally head of the banking house, at that time the first in Paris. He was the oldest member of the national representatives of France, and was the most popular of all the public men in that kingdom.

In his political career he adhered to the principles of the revolution which raised the Orleans dynasty to the throne, after many of the most active partisans of that event had deserted the cause; and it was by his influence that Louis Philippe was called to the throne. Before the revolution of 1830, his fortune was estimated at upwards of forty millions of francs. The disasters and failures which followed, and his involvements with the class of Paris shopkeepers, who were great sufferers by the revolution, reduced him so much, that he was obliged to a certain extent to suspend payments, and to sell the whole of his property. At that time so popular was he, that his splendid residence in the Rue Laffitte (so called in honor of him) was purchased for him by a national subscription, which amounted to 1,400,000 francs.

In 1836 M. Laffitte founded the joint stock bank which goes by his name, and of which he was the head and principal partner. He died in May, 1844, and was buried with great magnificence in the Cemetery of Pere la Chaise. He left one daughter, who married the prince of Moskowa, the son of Marshal Ney. M. Laffitte was representative for Rouen in the Chamber of Deputies.—[*Rose's Biographical Dictionary*.]

DOMESTIC GOODS.—We copy from the Boston Shipping List the following table, showing the export of domestic cotton goods from Boston, for the month of November, 1848, and ten months previous:

DOMESTIC COTTON GOODS TRADE.	Bales and Cases.	Value.
To Hong Kong, . . . . .	199 . . . . .	\$19,514 27
Manilla, . . . . .	627 . . . . .	48,413 78
Bombay and Calcutta, . . . . .	150 . . . . .	5,484 40
Valparaiso, . . . . .	4,628 . . . . .	147,606 34
Buenos Ayres, . . . . .	20 . . . . .	970 00
Sisal, . . . . .	127 . . . . .	5,949 94
Belize, . . . . .	45 . . . . .	1,800 00
Mansanilla, Cuba, . . . . .	2 . . . . .	110 00
Surinam, . . . . .	3 . . . . .	256 94
Cape Haytien, . . . . .	2 . . . . .	136 22
Cumberland, . . . . .	5 . . . . .	239 13
Total for November, . . . . .	5,808 . . . . .	\$230,391 02
Total ten months previous, . . . . .	38,111 . . . . .	1,752,725 71
Total for eleven months, 1848, . . . . .	43,919 . . . . .	\$1,983,106 73

## STATE FINANCES.

*Abstract of the Revenue and Expenditures of the State of Pennsylvania, for the fiscal years ending 30 November, 1845, 1846, 1847, and 1848.*

REVENUE.	1845.	1846.	1847.	1848.
Lands, . . . . .	\$11,778	\$13,235	\$15,293	\$21,455
Auction Commissions, . . . . .	18,900	18,348	21,700	22,500
Auction Duties, . . . . .	71,248	68,290	53,831	56,153
Tax on Bank Dividends, . . . . .	86,675	75,384	126,307	118,048
Tax on Corporation Stocks, . . . . .	80,147	94,892	124,355	140,360
Tax on Real and Personal Estate, . . . . .	1,318,332	1,445,112	1,330,781	1,350,130
Tavern Licenses, . . . . .	36,112	45,888	34,963	33,306
Retailers' Licenses, . . . . .	72,908	109,473	143,684	131,165
Pedlars' Licenses, . . . . .	1,427	3,372	2,291	2,185
Brokers' Licenses, . . . . .	1,712	6,544	5,598	2,566
Theatre and Circus Licenses, . . . . .	....	1,180	930	558
Pamphlet Laws, . . . . .	99	392	398	305
Militia Fines, . . . . .	7,838	15,090	11,090	17,161
Tax on Writs, &c. . . . .	30,820	57,820	47,194	30,683
Tax on certain Officers, . . . . .	2,596	12,355	13,611	19,394
Collateral Inheritance Tax, . . . . .	33,650	45,468	42,743	55,359
Canal and Rail Road Tolls, . . . . .	1,154,591	1,357,203	1,587,995	1,550,555
Canal Fines, old Materials, &c. . . . .	5,639	2,679	5,019	1,121
Tax on Enrolment of Laws, . . . . .	1,600	2,095	3,420	1,965
Tax on Loans, . . . . .	55,798	110,083	118,977	113,431
Loans, . . . . .	2,150	12,490	220,089	140,009
Turnpike and Bridge Dividends, . . . . .	1,199	1,253	1,076	1,950
Accrued Interest, . . . . .	2,335	4,204	2,043	2,803
Refunded Cash, . . . . .	8,577	15,535	2,242	14,538
Escheats, . . . . .	909	2,880	....	906
Fees of the Public Offices, . . . . .	1,564	1,716	1,257	1,644
Miscellaneous, . . . . .	1,468	6,076	10,149	1,527
Total, . . . . .	\$3,010,062	\$3,529,057	\$3,977,025	\$3,831,776
Cash on hand November previous, . . . . .	663,851	384,886	334,678	680,890

EXPENDITURES.	1845.	1846.	1847.	1848.
Public Improvements, . . . .	\$661,340	\$694,505	\$690,575	\$996,593
Expenses of Government, . . .	239,304	216,632	200,113	230,551
Militia Expenses, . . . . .	19,831	26,655	25,837	36,724
Pensions and Gratuities, . . .	41,858	31,425	24,850	22,705
Charitable Institutions, . . . .	14,643	15,492	29,000	27,000
Common Schools, . . . . .	234,331	193,221	196,804	176,590
Loans, . . . . .	26,033	25,356	209,065	148,378
Interest on Loans, . . . . .	1,794,182	1,984,623	2,002,240	2,005,740
Guaranty of Interest, . . . .	20,125	45,721	30,800	32,500
Domestic Creditors, . . . . .	14,761	7,501	5,133	13,246
Cancelled Relief Notes, . . . .	85,000	176,300	150,000	139,000
Damages on the Public Works, .	26,303	25,343	29,026	26,453
Special Commissioners, . . . .	1,007	1,110	....	304
Revenue Commissioners, . . . .	2,236	....	98	2,253
State Library, . . . . .	1,240	724	1,924	2,045
Public Buildings and Grounds, .	1,137	810	1,802	3,055
Eastern Reservoir, . . . . .	....	12,220	16,515	2,978
Penitentiaries, . . . . .	13,972	17,210	14,915	7,247
House of Refuge, . . . . .	4,000	4,000	4,000	4,000
Conveying Convicts, . . . . .	711	145	679	764
Nicholson Lands, . . . . .	222	1,277	1,751	190
Escheats, . . . . .	800	557	35	772
Philadelphia Riots, . . . . .	45,252	13,020	61	39
City of Pittsburg, . . . . .	30,000	....	....	....
Abatement of State Tax, . . . .	17,685	33,455	40,367	41,522
Miscellaneous, . . . . .	4,055	1,962	5,223	6,168
Outlet and Weigh Locks, . . . .	....	....	....	8,558
Total Expenditures, . . . .	\$3,289,028	\$3,529,264	\$3,680,813	\$3,935,376

## Notes on the Money Market.

NEW YORK, DECEMBER, 1848.

The extraordinary statements that have been made within the past six weeks, in relation to the quantity of gold in California, have had a manifest effect upon the business and money markets of the principal cities. We have copied into our present No. an official report upon this subject by Colonel Mason, of the Army, who is now on duty in California. To this Report are added some observations by the Rev. Mr. Colton, Chaplain in the Navy, whose statements are fully confirmed by numerous letters from respectable merchants and others residing in that part of the country.

The effect of these well authenticated statements upon the commercial community has been instantaneous and wide. There is a press of people and of goods to the Far West, unprecedented in the annals of this country. On the 16th of December, there were no less than thirty-five ships loading at the port of New York alone for San Francisco and other ports on the coast of California and Oregon. At the same time, about fifteen at Philadelphia, eight at Boston, and nine at Baltimore, preparing for the same destination.

We must postpone to another number the considerations upon the important commercial and financial changes which will be produced in this country by the recent discovery of these gold mines. At present we observe a rise in nearly all kinds of stocks, including Bank, Railroad and Insurance stocks. Sales of the recent Government Loan have been effected since our last publication at 106½, and 109 has been demanded. The Treasury Report gives assurance that no further loans will be required for the uses of the government, and that under the present state of public affairs, the existing public debt can be extinguished in a few years.

The Treasury Report for December, 1848, is one of the most copious and able that has emanated from the Treasury Department for many years. The statistical and other information contained in it, evince great labor and some enlightened views. The recommendation of extending our steam vessels and revenue vessels is worthy of great commendation.

The point in this Report to which we object the most is the Sub-Treasury scheme. Notwithstanding the zealous arguments of the Treasury in its favor, the system has been productive of much mischief, of considerable expense to the government, and most harassing inconvenience to merchants. During the year ending 30th June, 1848, the aggregate revenue of the government from all sources was fifty-six millions of dollars, of which we may assume that quite one-half was paid at New York City alone. An equal amount being expended at the same point would be equivalent to about one million per week. The payment of all this, or even one-half of it, in coin, is a very laborious, troublesome, vexatious and costly business.

We hope to see the government revenues and expenditures in a more rational shape hereafter. There is no more reason for confining the government operations to coin, than those of the mercantile community. The question is, *what will facilitate the payments and re-payments between the government and its creditors; between one class of the community and another?*

Why employ Sub-Treasurers at large salaries and with numerous subordinates, at vast labour, when one bank teller or other bank officer can with paper do the work of fifty men with coin in the same space of time? The Sub-Treasury is a dead weight upon the government to an amount not less than one hundred thousand dollars annually, and the inconveniences arising from it to commerce are innumerable.

If the government will insist upon a special and exclusive currency for itself, let it adopt the only convenient medium, a *paper currency*. The credit of the general government is at all times superior to that of banks and individuals, and it can sustain a circulation of fifty millions in treasury notes upon a basis of twenty millions of coin. Even if the same notes were not re-issued, (as is the case with the Bank of England, the financial agent of the British government,) the annual cost would be trifling.

Wherever a specie circulation mainly exists, commerce is trammelled and the people are in the dark. The case of France furnishes a forcible example of the heavy expense attending a metallic currency. The amount of the gold and silver in circulation in that country, was many years since estimated by Necker at 2,200 millions francs. Other competent authorities estimated it at 1,900 millions francs, or about 400 millions of dollars. This currency must cost France, unnecessarily, some twelve millions of dollars annually, in the loss of interest, exclusive of the wear and tear of coins. A better circulation could be maintained without any portion of this loss.

The Treasury Report adheres to "a view to augment the circulation of our own coin in our own country." The aggregate coinage at the mints from March, 1845, to March, 1849, will be in the aggregate about forty millions of dollars, being a larger sum than was coined from 1793 to 1830. The establishment of a branch mint at New York is recommended, and we hope Congress will carry out this measure.

The money market of this country will always be unsettled, our capitalists at a loss for safe investments, and our manufactures subject to severe fluctuations, as long as the present tariff system exists. This system induces heavy importations of foreign goods in competition with our own, when the welfare of the South and the North, and the East and the West, depends largely upon OUR HOME MARKET. Great Britain alone exported to the U. S., in the year 1847, manufactured goods to the amount of £10,974,161, (say fifty millions of dollars.) These manufactures are produced, where money is plenty at *three per cent. per annum*, and in a large measure by the pauper labor of that country. At this identical period, Great Britain levied a duty of twenty millions of dollars upon our exports of Tobacco, which cost at home about two millions.

Exchange on London 60 days  $8\frac{1}{2}$  a 9 per cent.

THE  
BANKERS' MAGAZINE,  
AND  
State Financial Register.

VOL. III.

FEBRUARY, 1849.

No. VIII.

THE LAW OF POPULATION AND MORTALITY AS EVIDENCED  
IN THE HEALTH-REPORTS OF BALTIMORE, MD.

BY J. H. ALEXANDER, ESQ.

THE Laws which regulate the mortality of the human race, constitute a subject for enquiry of the most general and deepest interest to the individuals of that race; and a research into their modifications and applications in any particular community may be justly expected not only to excite the active curiosity of all who are amenable to them, but to carry with it also indications and results of a character not less weighty than a concern of the well-being and prolongation of life itself. For the natural effect of such a research, after defining the existence and extent of the actual mortality and developing the causes which tend to promote it, must be a suggestion of the antagonist means to be resorted to for its diminution; and as morality and physical comforts in a community are the most efficient alteratives of the rate of mortality there, we have in this aspect of an investigation like the present, a wide foundation and a new stimulus for all the duties and efforts of benevolence and religion. I consult, therefore, my own taste as well as the interest and possibly the advantage of those who are subject with myself to a common law of Death, in instituting the enquiry and arranging the information that I have been able to collect.

It might seem at first that such collection would not imply any great difficulty to be encountered and overcome; and that the information easily acquired, would leave nothing to be desired for the solution of any question that might arise. But in point of fact, neither reflection nor experience shew this to be the case. Among all the functions imperfectly performed, not by our own Government especially, but all others, that of taking from time to time the census of their population is the most signal; and it is easy to see how inaccuracy in this—one of

the most important elements in the investigation—weaken both the spirit for and reliance upon subsequent deductions. It is not intended here, however, to indicate the inadequacy of the methods hitherto employed both in this country and elsewhere for taking the census, nor to speculate upon their probable improvement; it is enough to have referred to them. I have endeavored, by the nature and number of the combinations, to neutralize as far as possible the individual errors of the terms; and the accordant results given by different methods, may be regarded as not less reliable than the elements from which they were derived.

The inaccuracy in enumerating the actual population at any epoch is not attributable in the ascertainment of the current *increase* of such population; simply because no such ascertainment has been attempted. We have no register of Births. In other countries, that is to say among many of the European nations, this particular of essential importance in constructing Tables of Mortality, and serving in a stationary population where the annual increase by immigration is very small, as well as a check and test of the census-enumerations that are made at comparatively distant intervals—is arrived at by the register of Baptisms, which the secular or ecclesiastical laws of those countries require to be kept. With us, the latitude of religious opinion and belief precludes such a resort; for of the various religious societies here, some forbid a baptism except of adult parties altogether; only a few of those who prescribe it for infants, require their ministers to keep a regular list of the subjects of the rite; and still fewer present such lists by annual publication or otherwise, in a form accessible to a statistical inquirer. Under any circumstances, but especially under these, it would be not only competent but advisable for the secular Government to take this point—a registry of births—under its own provision and administration.

We are thrown, then, entirely (so far at least as the present field is concerned) upon Reports of Interments, which, when accurately ascertained, represent the annual *decrease* of the population. And in order to shew the character of these Reports, and to enable the reader to judge of the extent and reliability of the materials for information they afford, and of the appropriateness with which they have been applied to the present aim, I cannot do better than exhibit textually one of the very documents themselves. It is a report from the Board of Health, a mixed Directory of medical and lay-men under a resident Commissioner, of *Interments in the City of Baltimore, from the first day of January, 1848, to the first day of January, 1849.*

## INTERMENTS—OF WHICH WERE

<i>Months.</i>	<i>Males.</i>	<i>Females.</i>	<i>Total.</i>	<i>Colored.</i>	<i>Free.</i>	<i>Slaves.</i>
January, . . . . .	180	183	363	74	49	25
February, . . . . .	175	164	339	67	44	23
March, . . . . .	162	170	332	76	49	27
April, . . . . .	153	138	291	71	52	19
May, . . . . .	164	200	364	74	54	20
June, . . . . .	202	191	393	68	47	21



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<i>Months.</i>	<i>Males.</i>	<i>Females.</i>	<i>Total.</i>	<i>Colored.</i>	<i>Free.</i>	<i>Slaves.</i>
July, . . . . .	342	296	639	133	97	36
August, . . . . .	192	171	363	76	56	20
September, . . . . .	156	140	296	64	50	14
October, . . . . .	183	156	339	78	51	27
November, . . . . .	126	134	260	72	52	20
December, . . . . .	146	109	255	63	43	20
	2181	2052	4233	921	649	272

AT THE FOLLOWING AGES.

Still-born, . . . . .	372	Between forty and fifty, . . .	261
Under one year, . . . . .	959	“ fifty and sixty, . . .	174
Between one and two, . . . . .	471	“ sixty and seventy, . . .	152
“ two and five, . . . . .	503	“ seventy and eighty, . . .	123
“ five and ten, . . . . .	220	“ eighty and ninety, . . .	57
“ ten and twenty-one, . . .	207	“ ninety and one hundred, . . .	17
“ twenty-one and thirty, . . .	362	Over one hundred, . . . . .	6
“ thirty and forty, . . . . .	349		

To this is added a classification of the individuals by number according to the alphabetical order of the diseases to which they are supposed to have succumbed;—an aspect not bearing upon our aim at present, and which, therefore may be omitted here. I shall offer some remarks, however, upon its results hereafter.

The numbers interred are learned by a weekly inspection of the lists of burials kept by each of the sextons of the different graveyards (or rather congregations) of the city. Those who are not carried to one or other of these yards, rest in the potter's field—a public cemetery intended for strangers, and which is under the control of the municipal authorities; and their number can of course be given with precision. As a class is made of the colored population, and a very proper division made between the free and the slaves of that class, it is to be regretted that the distinction of sex is not noted, also. Such a distinction would allow us to calculate the comparative probabilities of *female* life for both races, which cannot, as it is, be done for either; and thus furnish additional information upon a point whose data have hitherto been very variant.

The distribution of the deceased according to their respective ages, is made upon statements of like origin with those that give the total numbers. The wide interval between the given epochs diminishes, of course, the chances of error in the positive number for each; in all other respects, it is disadvantageous, as will be seen among other things by the complicated and laborious process which becomes necessary for its interpolation.

Such being the state of the documentary information, there is necessary first as a preliminary to any application of it, a Table constructed upon the actual census-returns for every tenth year, which shall exhibit the population, year by year. It is admitted now, that the increase or decrease of population (as the case may be, in any locality or district) follows for any interval a geometrical ratio; that is such a rate of continuous progression as was explained in an article in the last number of this Journal on the Interest of money. And if this rate were constant for all intervals, we would thus have a prompt and easy method of fill-

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ing up such a Table as is wanted. But in point of fact the rate is not constant; and it would be unsafe, therefore, of application to any but very short intervals. The variation of rate and its behavior under different combinations that its calculation is susceptible of, will be best seen by an example taken from the census-returns for the several years of the whole population of the United States; as under

Years, . . .	1790.	1800.	1810.	1820.	1830.	1840.
Population,	3,929,827	5,305,925	7,239,814	9,638,131	12,866,920	17,068,666

The rate per centum per annum corresponding to this progressive increase of population, and taking each term successively as the principal, (which is the simplest combination) appears respectively, as under

<i>Years to</i>	1800.	1810.	1820.	1830.	1840.	1850.	
<i>From</i> 1790, . . .	3,043	3,102	3,036	3,010	2,981	2,703	per cent. per annum.
1800, . . .	.	3,156	3,029	2,997	2,964	"	"
1810, . . .	.	.	2,903	2,917	2,900	"	"
1820, . . .	.	.	.	2,931	2,999	"	"
1830, . . .	.	.	.	.	2,966	"	"
1840, . . .	.	.	.	.	.	2,501	"
<b>Means:</b>	<b>3,043</b>	<b>3,129</b>	<b>2,989½</b>	<b>2,963½</b>	<b>2,922</b>		

The line of *means* shews the comparative constancy of the rate; which, although it is increasing up to 1810, is yet seen afterwards slowly to diminish. This is more emphatically accused by the numbers in the column under 1850; which represent the ordinate for that year, the curve of the population being supposed to sweep in a regular manner, and the ordinates for the other census-years being taken first in the horizontal column of 1790, and next in the vertical one of 1840, and in both cases using all five terms for the interpolation of the sixth. If we abandon the census of 1790 as having been made upon inadequate observation, and use the last four terms of the line of means, a similar interpolation would give 2,734 per cent. per annum as applicable to the period from 1840 to 1850. Although it is possible that this may be found not very far from the truth, still, as I have already said, a period of 10 years in a territory so extensive and so subject to perturbing influences as ours, is rather too long to be governed by any one uniform rate; and other more unexceptionable means should be resorted to for expanding this series.

If we apply, in the mean time, the same method to the census of Baltimore, we shall find it evidencing similar results and measuring itself through successive eras by a slowly-diminishing geometrical ratio. I have found it advisable, however, to disregard the census of 1790 and 1800, because of their admitted uncertainties; and I have had no opportunity of resort to the State Department, where possibly the uncertainty might be ascertained and removed. Taking then the returns for 1810 and onwards, we have as under:

Years, . . . . .	1810.	1820.	1830.	1840.	1850.
Population, . . . . .	46,555	62,738	80,625	102,313	129,899

The number representing the probable population for 1850 has been deduced from the others by a very expeditious and easy method of In-

terpolation, which I have explained in detail elsewhere.\* Calculating, then, the rate per cent. per annum for the intervals respectively, we have as under :

Years	to	1820.	1830.	1840.	1850.	
From 1810, . . . . .		3,0283	2,7958	2,6594	.	per cent. per annum.
1820, . . . . .		.	2,5401	2,4755	.	"
1830, . . . . .		.	.	2,4109	.	"
1840, . . . . .		.	.	.	2,4656	"
		3,0283	2,6679½	2,5152¾		

The actual rate from 1830 to 1840, as found here, will, if continued to 1850, give a result for the population but slightly differing (very nearly) from the preceding statement. The coincidence of these independent methods, authorises the more confidence in their results. The rate here placed under the year 1850, arises from a direct interpolation upon the three terms in the column of 1840; it is given among other things to indicate that unless some material change shall have taken place in the elements of our population, or in their modes of affection, its rate of progress is on the increase compared with the last ten years preceding 1840. The change, however, and its influence can be but slight, since we have for the

population in 1850, by direct interpolation, . . . . 129.899 souls.  
 " " by the actual rate in 1840, . . . 129.830 "  
 " " and by the partial rate, above . . . 130.530 "

Upon such a concurrence, I think it quite safe in calculating the population under the respective years of the Table to be given presently, not only to use the index of 1840 for the period from which it has been derived, but to extend it over the succeeding one. This, although not theoretically so proper under other circumstances, recommends itself here by dispensing with lengthened and laborious calculations; while the amount of error which it introduces in the absolute numbers for population hardly affects the fraction representing the proportionate mortality. In point of fact, such error at its extreme is only appreciable in the third place of decimals. For the period preceding 1830, however, in order to avoid the unsymmetrical break which would have occurred at that epoch in the annual difference of population, it was necessary to interpolate each successive term by the method already mentioned. With these explanations, the Table itself may now be presented as follows :

*Table of the Population and of the absolute and relative Mortality in Baltimore for the years from 1826 to 1848, inclusive.*

Years.	Population.	Absolute No. of Deaths.	MORTALITY.	
			Deaths = 1.	Living = 1.
1826, . . . . .	73.132	1922	1 in 38,1	0,0263
1827, . . . . .	74.955	1498	50.	0,0200
1828, . . . . .	76.811	1702	45,1	0,0222
1829, . . . . .	78.700	1849	42,6	0,0235
1830, . . . . .	80.625	2096	38,7	0,0259
1831, . . . . .	82.569	2303	35,8	0,0280

\* Silliman's Journal: Sec. Ser. No. 19. p. 14, etc.

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Years.	Population.	Absolute No. of Deaths.	MORTALITY.	
			Deaths = 1.	Living = 1.
1832,* . . . .	84.559	3572	23,7	0,0422
1833, . . . .	86.598	2405	36,	0,0278
1834,* . . . .	89.686	2747	32,3	0,0310
1835, . . . .	90.824	2050	44,3	0,0226
1836, . . . .	93.014	2373	39,2	0,0255
1837, . . . .	95.256	2714	35,1	0,0285
1838, . . . .	97.553	2691	36,3	0,0276
1839, . . . .	99.904	2431	41,1	0,0243
1840, . . . .	102.313	2236	45,8	0,0219
1841, . . . .	104.780	2448	42,8	0,0234
1842, . . . .	107.306	2655	40,4	0,0247
1843, . . . .	109.893	2522	43,6	0,0230
1844, . . . .	112.542	2879	39,1	0,0256
1845, . . . .	115.255	3107	37,1	0,0270
1846, . . . .	118.034	3251	36,3	0,0275
1847, . . . .	120.880	3795	31,9	0,0314
1848, . . . .	123.794	4233	29,2	0,0347
Means, . . .	96,869	2586	37,46	0,0267

The columns of relative mortality in this Table shew very capricious variations. But one observation may be made upon it, of interest to the community; viz. that since 1845, the mortality has been above the average of the whole twenty-three years, and has been for each of the last six years in a continually increasing ratio. That this result is not an apparent one only, which may arise from a possible error in the annual population in the sense of under-rating it, (as might be argued from the manifest improvement shewn in 1840 above 1830, both of which were census-years, and therefore more reliable, it may be presumed, in the numbers for population) will be manifest by dividing the whole period into groupes of nine years, the smallest number that can be symmetrically arranged, so that each groupe may contain the elements of a census-year. Thus arranged we have

Average Mortality for 9 years from 1826 to 1834 inclusive,	. 1 in 35,03
" " " " 1833 to 1841 "	. 1 in 39,21
" " " " 1840 to 1848 "	. 1 in 39,47

The increased rate of mortality for the last period is equally observable in this as in the general statement; though of course the differences become less strongly marked in proportion to the number of groupes into which the whole term is divided. And in comparing the apparent improvement in the last period above the first, we must have regard to the fact that this first period includes two years of an epidemic—the cholera.

Should we consider it as less important to include a census-year in every groupe, we may arrange the whole period symmetrically into five groupes of 5 years each, with the following results:

\*These were the years of the Cholera. The victims recorded in 1832 were in all 853; leaving 2719 as the mean mortality of the year, which corresponds to a proportion of 1:31,1 a rate not materially different from that of 1847.

1826—1830, Average Mortality, . . . . .	1 in 42,5
1830—1834, “ . . . . .	1 in 33,5
1835—1839, “ . . . . .	1 in 39,2
1840—1844, “ . . . . .	1 in 42,3
1844—1848, “ . . . . .	1 in 34,7

From this, one might infer that the rate of mortality was subject to circulating periods, at the end of which would be presented again the same factor nearly which occurred at the beginning. Thus, the factor for 1840—44 is almost identical with the rate which governed in 1826, fifteen years before. Such recurrences will be found justified, within certain limits, in a comparison of the general table. Is there any thing in the laws of human existence, by which the mortality of communities is connected with such a periodicity? The observations which are here given are of course far too restricted in time, number and place to afford any satisfactory answer to this question. But so far as an affirmative can be borne out by the analogy of individual life, it may be observed that this period of fifteen years coincides with all the crises in the Table of Mortality. For instance, at 15 years after birth, the ordinates of the curve of life (such ordinate being the reciprocal of the number dying out of a constant number at every age) have attained their maximum; thenceforward they diminish, the curve becomes of contrary flexure and finds another maximum at 30 years. From that point they go on constantly diminishing, but at 45 there is a stationary node where the flexure is again reversed; and finally at 60 and 75 years there appears to be *nodes of retardation* where the march of mortality is sensibly disturbed. I regret that neither the character of this paper nor the vehicle through which it is communicated, will allow me to dilate upon this point, which, if proved, will lead to a highly important generalization; or to present graphically the properties and peculiarities of the curve of life, that I have indicated. I will confess only further that, upon what has been said as well as from other considerations, I shall expect the average mortality of the next five years to be less than that which has been just found for 1844—48, and nearer approaching the rate that governed in 1835—39.

As my object here is only to present facts and plain inferences from them, I shall not speculate at any length upon circumstances which may have contributed materially to the sad disparity in the rate of mortality for the last five years;—I mean the influx of emigrants not elevated in social caste from other countries, and the discomfort, disease, excess, and consequent mortality in that portion of added population. According to the formula upon which the column of population in the general Table has been constructed, the amount of the immigrant increase of population for any year, is based strictly upon the experience of all the years preceding; and no extraordinary increase from such a source has been or can be assumed or allowed for. Nevertheless, it is probable from other considerations which do not submit themselves to calculation, that such extraordinary increase may have taken place in the last two years, and the numbers representing the aggregate annual population may be to that extent erroneous. There are no means within my reach of testing this; I have no list of the arrivals in this port of

immigrants during the period referred; nor, if I had, is there any indication or ascertainment of the ultimate sojourn or destiny of persons so arriving. All that can be done is to give the extreme probable error of the Table; which may be arrived at by applying the mean factor ( $\frac{37.1}{37.46}$ ) of mortality. This factor is derived from a reasonably long experience and, if our population were stationary or increasing only by its own fecundity, might be very safely relied upon to give, when divided into the absolute number of deaths, the actual aggregate of the population. So divided, it would result in a population for 1848 of 158,570 souls; the difference between which and the number for the same year in the Table (34,776) shews the utmost probable amount of the immigrant population. That this amount should have been 35,000 souls even for the last five years, I confess I doubt; or rather, I disbelieve: and I apprehend that the census of 1850 will shew the Tabular number as it stands to be not materially in error.\*

The mean factor for mortality corresponds with what might be expected from the geographical position of Baltimore—at least from that element of position, *Latitude*, by which climate is chiefly affected—compared with other cities. In illustration of this, I have arranged the following Table of the principal cities of Europe in the order of their latitude, and annexed to each (in view of the discrepancies of returns for different years) the maximum and minimum of its mortality according to the various statements that have been given. I include in this only one on the continent of America; the statistics of others are not accessible to me. I the rather hope that this research of mine may stimulate other enquirers with better means, to investigate the mortality of the other principal cities in the United States at least.

Of course, the comparison is to be made only between *cities*; and, if possible, between such as have nearly equal populousness. For it is admitted that other things being equal, the mortality of rural districts is always less than of their metropolis and towns. There are a few exceptions to this, which only tend to confirm the rule. Thus for instance, five-sevenths of the city of Rome (or perhaps it might be said, the whole city) enjoys a higher freedom from mortality than the adjoining Campagna. But this is plainly to be accounted for; and the unhealthiness of the Campagna and the proverbial fatality of the Pontine Marshes (although both districts may in one sense be said to be in a state of *nature*) are attributable to circumstances that are justly to be considered *artificial*, i. e. controllable by the skill and artifice of man.

\*Since writing the above I have received the following information; which does not materially change the view of the text.

## ARRIVALS AT THE PORT OF BALTIMORE.

	<i>Foreigners.</i>	<i>Citizens.</i>		<i>Foreigners.</i>	<i>Citizens.</i>
1827, . . . .	1477	318	1833, . . . .	5339	344
1828, . . . .	1741	570	1834, . . . .	7463	494
1829, . . . .	2074	470	1835, . . . .	3843	342
1830, . . . .	4084	519	1836, . . . .	5268	333
1831, . . . .	4381	661	1837, . . . .	5941	634
1832, . . . .	11414	532	1838, . . . .	4909	598

If the unfortunate Pius IX. had applied his remarkable talents and earlier influence to this aim, instead of the mere problematical and hazardous experiments of political reform, there is no question but that posterity would have classed him with more unanimity among the benefactors of our race; and as little, that he would hardly have been ever, as now, among that band of illustrious exiles whom Europe has so lately seen departing from their former seats.

And in regard to equality of populousness as affecting the results of comparisons between cities, it is presumable that physical discomfort and immorality—the most efficient aids of Death—find always scope more ample in proportion as the subjects are more dense.

I now present the Table spoken of, in which the latitudes are given only to the nearest minute:

*Table shewing the influence of Latitude upon the rate of Mortality.*

Groupe.	Place.	Latitude.	MORTALITY=1 in		Gen. Mean.
			Min.	Max.	
55° to 60°, . . . . .	Petersburg, . . . . .	59° 56' N.	34,9	37.	1 in 34,2
	Stockholm, . . . . .	59 21	24,3	24,9	
	Glasgow, . . . . .	55 52	46,8	46,8	
	Moscow, . . . . .	55 46	33.	33.	
	Copenhagen, . . . . .	55 41	30,3	30,3	
	Berlin, . . . . .	52 32	25.	34.	
	Amsterdam, . . . . .	52 22	24.	31.	
	London, . . . . .	51 31	40.	51,9	
	Dresden, . . . . .	51 3	27,7	27,7	
	Brussels, . . . . .	50 51	25,5	26.	
50° to 55°, . . . . .	Prague, . . . . .	50 5	24,4	24,5	1 in 30,2
	Paris, . . . . .	48 50	30,1	32,5	
	Vienna, . . . . .	48 13	22,5	22,5	
	Lyons, . . . . .	45 46	32.	32,3	
	Bordeaux, . . . . .	44 50	29.	29.	
45° to 50°, . . . . .	Leghorn, . . . . .	43 33	31.	35.	1 in 28,7
	Rome, . . . . .	41 54	24,1	24,4	
	Barcelona, . . . . .	41 22	24,8	27.	
	Naples, . . . . .	40 50	29,6	28,6	
	Madrid, . . . . .	40 25	35.	36.	
	Lisbon, . . . . .	38 42	28,2	31,1	
	Palermo, . . . . .	38 7	32.	33.	
40° to 45°, . . . . .	Baltimore, . . . . .	39 17	37,5	37,5	1 in 29,3
	Queretaro, . . . . .	20° 36' N.	Mortality 1 in 26,4		
35° to 40°, . . . . .	Guanaxato, . . . . .	21 0		1 in 29,9	1 in 28,1
	Latitude 20°—21° . . . . .		Mortality . . . . .		

It appears from this that a high northern latitude is favorable to a low rate of mortality: that at the mean parallel, the mortality is the greatest; and that then it is liable to a diminution until the tropics are reached. Within the tropics there are no reliable data; but it is generally admitted that the mortality is there greater than in the temperate zone. This is instanced in two cases on the American Continent, viz:

Queretaro, . . . . .	Lat. 20° 36' N.	Mortality 1 in 26,4
Guanaxato, . . . . .	21 0	1 in 29,9
Latitude 20°—21° . . . . .		Mortality . . . . . 1 in 28,1.



These statements all relate to the northern hemisphere; for similar ones in the southern, there are no reliable data.

As the object of this Table is mainly to shew the regularity of natural laws when viewed in a sufficient generalization, I have designedly introduced into the several groupings, instances where though the limiting parallels are the same, yet the other elements of climate, height above the sea, shelter, aspect, &c., are materially variant. Thus Madrid, for example, a city situated inland on a steppe some 2,000 feet above the level of the ocean, and exposed to chilled and piercing winds, might be expected to have a very different climate from Leghorn or Naples, which are near the level of and tempered by the sea. Yet unfavorable as its position in some regard might seem to be, its mortality is, in point of fact, low compared with the rest of its group and corresponds with the results already found for higher latitude with which high elevations are to a certain extent interchangeable. In strict theory, all these elements of level above tide, mean temperature, mean moisture, exposure, &c., &c., find their place in determining the climate and the natural mortality of any locality; and in any popular discussion even of this point specially, it would be necessary at least to have determined the principal isothermal and isohygral lines (under which the mean annual temperature and dew-point are the same) of the globe. But such a discussion would be too extensive for any present scope; and I shall therefore only farther in connection with this point offer some results as to the *influence of the Seasons* upon the mortality here.

The health-returns furnish the numerical mortality for every month; and upon those numbers I have constructed, for each year, the following Table; giving throughout, the month in which the number of deaths was the greatest, that in which it was the least, and those in which it comes the nearest to the annual mean (or twelfth part) of the whole annual mortality.

*Table of Mortality according to the Months.*

<i>Years.</i>	<i>Max.</i>	<i>Min.</i>	<i>Mean.</i>	<i>Years.</i>	<i>Max.</i>	<i>Min.</i>	<i>Mean.</i>
1826,	July,	Nov.	Aug.—Oct.	1838,	July,	June,	Jan.
1827,	July,	May,	April.	1839,	Sep.	May,	Dec.
1828,	July,	April,	Mar. Oct. Nov.	1840,	Aug.	May,	June—Dec.
1829,	Aug.	May,	January.	1841,	No returns.		
1830,	Aug.	Feb.	June.	1842,	“ “		
1831,	Aug.	April,	February.	1843,	July,	Feb.	Dec.
1832,	No returns.			1844,	July,	Oct.	Sep.
1833,	July,	Feb.	Dec.	1845,	July,	March,	Oct.
1834,	Aug.	May,	Mar.	1846,	Mar,	Dec.	Nov.
1835,	Aug.	April,	Jan.	1847,	Aug.	Feb.	March.
1836,	Aug.	June,	Feb.	1848,	July,	Dec.	Jan.—Aug.
1837,	July,	Dec.	May.				

From a table so detailed as this, we can say with certainty, that the maximum of mortality occurs in July and August; once only it passed over into September, and once was translated to March. The minimum, though not so well defined, is seen in April and May; and July is the only month which is not found in one year or another to conform to the mean. But if we arrange the number of deaths according to the *seasons*

of the year, marked as they are by unequal distribution of temperature and moisture in the atmosphere, we shall find the annual mortality, with but few exceptions, conforming to the indications of these atmospheric affections. The season whose thermometric and hygrometric condition is the most variant from the mean of the year is that of greatest mortality; and that in which the atmosphere approaches most nearly to its normal state (which we may consider as shewn by the annual mean, and still more when that mean is derived from a number of consecutive years) presents the absolute mortality as the lowest. The other seasons correspond with the same indications.

As I have not the data for the atmospheric means through the period in question, I can only make comparison with those for the year 1836, which I have already used elsewhere for another purpose.\* The seasons are the *Spring*, comprehending the months of March, April and May; the *Summer*, corresponding to June, July and August; the *Autumn*, including September, October and November; and the *Winter* which coincides with December, January and February. By this arrangement, in taking out the number of deaths for any year, that belonging to December is entered under the succeeding year. And as the years are not continuous in this respect, I have found it proper to divide the series into three groupes which are in a certain sense symmetrical. For greater illustration, I have inverted the natural order; so as to present the Summer and Autumn of each year and period, before the Winter and Spring,

Table shewing the absolute number of Deaths (from 1 Dec. 1826 and onwards as under) in Baltimore, distributed according to Seasons and the corresponding conditions of the Atmosphere.

Seasons.	ABSOLUTE MORTALITY.				ATMOSPHERE.		
	1827-31.	1834-40.	1844-48.	Total.	Barom. in	Thermom.	Dew- point.
Summer, . . .	2969	4973	5264	13206	29,923	71°, 7	60°, 8
Autumn, . . .	2351	4364	3922	10667	29,967	51, 7	38,
Winter, . . .	2093	4064	3918	10075	30,017	29, 3	14, 7
Spring, . . .	1956	3556	4116	9929	30,003	50, 8	32, 9

The atmospheric means from observations for a longer period, may be stated at 30 in. for the barometer, and 51° and 35° for the thermometer and dewpoint respectively. The determination of this last is, however, more doubtful; since it depends in part upon the indications of the dry and wet thermometers. They may be taken nevertheless as sufficiently accurate for the present purpose; and the Table then evinces, what was said before, that *the nearer the atmosphere is to its normal state, the less is the mortality*. The periods, then, of extreme variations in pressure, temperature and moisture under a given climate, are those which are attended with the greatest mortality. How far the *suddenness* of those variations influences the result is a question which principally concerns the physiologist; but I regret, that I have not the means of offering at present some actual observations on this point also.

Such a rule as has been just stated, reposing upon physical causes of great generality, may be expected to govern throughout, and to be

\*Second Report on the Manufacture of Iron, etc. p. 139.

manifested as well in respect to the *daily* variations of the atmosphere as under such as are observed and averaged for periods more extensive. But in regard to this point—the influence of the *hours of the day* upon mortality—we are here absolutely without observations; while those that have been made elsewhere, as in Brussels and Hamburg, rest upon too few instances to be relied on. It would seem from these last, that the hours between midnight and morning (6 A. M.) witness the greatest number of deaths; and that in general, more deaths occur at night than in the day-time.

Leaving this point for future investigators and better means, I pass on to another upon which we have here some statistics, and which is in itself of great interest—the *influence of Race* upon mortality. The population of Baltimore as constituted at different epochs, I give in the following Table; accompanied with a statement of the absolute, relative and proportional mortalities of the two races which compose it.

	POPULATION.		MORTALITY.					
	White.	Black.	ABSOLUTE.		RELATIVE.		PROPORTIONAL.	
			White.	Black.	White.	Black.	White.	Black.
1830, .	61,615	18,911	1519	567	1 in 40,6	1 in 33,4	1	: 1,216
1840, .	81,147	21,166	1712	524	1 in 47,4	1 in 40,4	1	: 1,173
Increase,	2,79 pr. ct.	1,13 pr. ct.	1,2 pr. ct.		per annum for 10 years.			
Decrease,				0,79 pr. ct.	per ann. “ ratio 3,52 pr. ct.			

From this it appears that the increase of the black population, has been at less than one-half the annual rate of augmentation of the whites; and that while the absolute mortality between the two epochs corresponds to an annual increase at  $1\frac{1}{2}$  per cent. for the whites, for the blacks it is represented by an actual decrease, equivalent 8-10 per cent. per annum. The column of relative mortality, shew that the life of the black race in 1840, was as stable as that of the white in 1830, owing (it may be supposed) to a change in physical circumstances operating upon both though not in equal degrees; for the last column gives  $3\frac{1}{2}$  per cent. nearly, more improvement in the stability of life (or *vitality*) of the black race than of the white. Finally by a combination of the proportions given, we are authorised to conclude that this stability of life is for the two races at a mean, as 44 is to 36,9 in favor of the white race. How much of this disparity is due to physiological differences, i. e. to *race*, and how much is to be attributed to *caste*, i. e. social and personal relations and comforts, it does not form part of my purpose to enquire; even if I had the data upon which to solve the question.

The periods in the above statement are restricted to two epochs, because they are the only two census-years included in the bills of mortality, available. These give the direct enumeration of the different elements of the population; which for any other epochs could only be made out by similar calculations to those employed for the aggregate population—a labor that does not seem to me essential to repeat. The results as obtained will probably command the reliance of a majority of readers, all the more for their having been obtained by direct instead of inferential methods.

Methods of this last kind, however, find proper scope and indeed are

necessarily to be resorted to in illustration of another point connected with the colored population, viz. the *influence of Condition* (i. e. emancipation or otherwise) upon the mortality of that race. We have registers, distinguishing the annual number of deaths of the slaves and of the emancipated, for the whole period from 1826 to 1848, with the exception of the year 1832. The absence of returns for this year destroys the continuity of the series, and makes necessary that it be broken up into a number of corresponding groupes; which I have done, with as much symmetry as the case allowed, in the following Table, intended chiefly to shew the proportion which the numbers of deaths in the two conditions bear to the aggregate mortality.

Periods of 6 years each.	Aggregate Mortality.	Number of Deaths.		Proportioned to the Aggregate Mortality = 1.	
		Free.	Slave.	Free.	Slave.
1826—1831	11.365	2547	564	0,224	0,050
1833—1838	14.980	3319	693	0,222	0,046
1838—1843	14.981	2967	779	0,198	0,052
1843—1848	19.787	3391	1027	0,171	0,052
Aggregates, . .	55.902	11.226	2782	Means: 0,201	0,050

The preceding Table shewed an improvement from 1830 to 1840, in the stability of life of the entire black population; this one shews that it has been gradual and progressive from 1826 to the present time, and that it is confined to the free portion of that population. The proportion of slave-deaths in the whole mortality, has been visibly constant.

No statement of the relative mortality of the two classes is given; because it could only be derived from and apply to two years out of the whole series; and the results, as exhibited by the numbers of those years, would be entirely fallacious if drawn into a general conclusion; since the class of slaves is neither progressive from year to year, nor permanent in any one year. A considerable number annually is transferred to other States. It is from them, besides, that the emancipated class which is on the increase, is continually receiving important additions. Such transitions, by which the same individual comes, within two years, to belong and to be counted in both classes, renders of course the number of the living in either at any time, (unless duly corrected) an inaccurate factor in the proportion. These transitions, which we residing here understand very well, will be manifest to others abroad by the following statements from the three last censuses; where the difference in numbers after the usual age of emancipation (which corresponds also to the period of greatest physical activity and value) is very distinctly marked.

	Aged between	Free.	Slave.	Survivors.
1820,	14 years—26 years.	2509	1557	
	26 " —45 "	2784	932	1378
1830,	10 " —24 "	4118	1815	
	24 " —55 "	5953	1269	1451
1840,	10 " —24 "	4917	1451	
	24 " —55 "	7490	1003	1191

The last column shews the number that would probably survive from the average younger to the average older life, according to the Carlisle

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**Tables.** The diminution, then, of the actual numbers at each older life is attributable to some other agency than mere mortality; and the difference between the given and the calculated number, is a function at least of the correction which must be applied to the numbers of slaves living, in order to ascertain the relative mortality of the class.

There is another circumstance, too, connected with this which would affect the factor of relative mortality; viz. the preponderance in number of the slaves under the age when the stability of human life is in general the greatest. Thus, by the census of 1820, (the last which defines the number at this term,) those under 14 years of the free and the slave, were respectively 0,338 and 0,362 of the aggregate of each class. To deduce a factor, then, from the aggregate merely, would be to burden the latter class disproportionately with the hazards and accidents and mortality, that belong to the period of infancy and childhood.

In conclusion upon this point of the influence of race, it only remains to present the elements of the correction by which the relative mortalities in the General Table, may be made applicable to the white race only.

We have then from the three last censuses, the numbers for the following statement:

	POPULATION.		RATIO.	
	White.	Black.	White.	Black.
1820,	49.291	14.683	1 :	0,298
1830,	61.615	18.911	1 :	0,307
1840,	81.147	21.116	1 :	0,261
1850, calculated,	107.887	21.296	1 :	0,197

Mean ratio of White to Black population, . . . . . 1 : 0,266

The mean ratio of the relative mortalities of the two races has been already given, as 44 to 36,9 or 1 : 0,839.

Dividing and summing these proportions, we have a final ratio between the two, of 1 : 1,0403; or in general 4 per centum, as the correction to be applied to the several terms in the columns of relative mortality (additively or subtractively, according as the first or the last may be employed) in order to give at a mean the relative mortality of the white race only. Applying this to the ultimate mean in the General Table, of 1 in 37,5 for the aggregate population; we have 1 in 39, as the probable proportion attributable to the whites. If we use the same elements in a suitable manner, we shall have 14,7 per cent., as the correction to be applied conversely for the exclusive mortality of the other race. Used with the ultimate mean as before, we have 1 in 32 very nearly, as the relative mortality among the colored people alone.

These calculations and corrections may seem at first sight to be tedious on the one hand and to have been fastidious on the other; but they are, in fact, rendered necessary by the limitations which, as I have already remarked, the form of our Health-returns imposes upon the elements of another question of interest more extensive than our own community merely—I mean, the *influence of Sex* upon mortality. The deaths reported are divided into male and female; but this division is

not made with distinction of races; and therefore, I have been obliged to supply, by comparative and inferential methods, the defect of the existing data themselves.

Not to cumber these already greatly extended pages with numerical details that are not absolutely essential, I have grouped the results of all the years for which there are returns, according to the tolerably symmetrical periods into which the deficiencies divide them, into the following

*Table of the absolute and proportionate Deaths of the Sexes for different periods.*

	NUMBER OF DEATHS.		PROPORTION.	
	Males.	Females.	Male.	Female.
First Period, 1826—1831,	6352	5013	1	0,78920
Second Period, 1833—1840,	10532	9115	1	0,86546
Third Period, 1843—1848,	10213	9574	1	0,93743

The numbers in the last column accuse a gradually increasing ratio in deaths of females; which is also borne, when regard is had to the probable population of the two sexes respectively at the given periods. I have established such probability upon the following statements taken from the census.\*

	1820.		1830.		1840.		1850 calculated.	
	Number.	Propor.	Number.	Propor.	Number.	Propor.	Number.	Propor.
Males, .	31,489	1. —	37,949	1. —	47,371	1. —	59,755	1. —
Females,	32,485	1,03164	42,577	1,12195	55,042	1,16193	69,880	1,16941

Taking the above proportions, two and two, successively, we obtain a mean; which may be assumed to govern for the intervals, and so becomes applicable to the foregoing periods, to correct the proportion of deaths by combining them with the ratio of the respective population. We thus arrive at the following

*Table of the proportionate Mortality of Females (that of Males being Unity) for the Periods just now given.*

	1826—31.	1833—40.	1843—48.
Proportion of Deaths, . . . . .	0,78920	0,86546	0,93743
Proportion of Population, . . . . .	1,07679	1,14194	1,16567
Proportionate Mortality, . . . . .	0,73292	0,75789	0,80420

The mean of these three last terms, is 0,765 very nearly; and we are warranted, therefore, in assuming that for every 1000 males who may have died during the last twenty-three years in Baltimore, there have died also, but 765 females.

A similar result, though not numerically the same, will be evidenced if we resort for its determination to the proportions belonging to the two years (1830 and 1840) where we have a direct enumeration of

\* The sum of the numbers for 1820 and 1830 in this statement, will be found to differ slightly from the aggregates given before in the General Table, and used for the interpolations. It was not until I came to this part of the enquiry, that I had occasion to resort to the details of the census, and to be aware of the inaccuracies which occur in the additions there for those years. The differences, however, are not sufficiently serious to have required my going over my work again; and I only mention them here as a caution to future enquirers.



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the sexes to compare with the number of deaths in each. For illustration, I offer such a comparison in the following

*Table of the Relative Mortality of the Sexes in 1830 and 1840.*

	1830.					1840.			
	Population.	Deaths.	Rel. Mor.	Prop.		Population	Deaths.	Rel. Mor.	Prop.
Males, . .	37,949	1211	1 in 31,3	1000		47,371	1209	1 in 39,2	1000
Females, .	42,577	875	1 in 48,7	643		55,042	1027	1 in 53,6	731
Aggregate,	80,526	2086	1 in 33,6			102,313	2236	1 in 45,8	

The proportionate mortality of females is smaller in this than in the preceding statement; as might be expected to occur in years, both which are above the average mortality. Taking, however, the actual proportion of the aggregate deaths of males and females, (viz. 100 : 79) and the average female population at  $\frac{1}{4}$  above the male; we shall have 20 per cent., as the correction to be applied, in the sense of diminution, to the aggregate relative mortality of the General Table, in order to have the factor for the relative mortality of the female sex; and 15 per cent. nearly, the correction to be used conversely for ascertaining the characteristic factor for the male sex, in each year given in the Tables.

And, I suppose, with these may be combined the correction already given for the difference in race, in order to ascertain the relative mortalities of the white and colored females respectively, as well as those of white and colored males, from the aggregate ratio in the Table. Using these, with their appropriate signs, upon the aggregate factor of mortality already deduced, viz. 1 in 37,5, we are enabled to make the following paradigm:

Relative mortality of aggregate population, . . . . .	1 in 37,5
Do. Do. white males, . . . . .	1 in 31,9
Do. Do. white females, . . . . .	1 in 45
Do. Do. colored males, . . . . .	1 in 30,4
Do. Do. colored females, . . . . .	1 in 43,5

These numbers are as approximate as can be deduced, until the returns distinguish the sexes as well as the deaths of the colored population. From what has been said, it will plainly appear that the distinction of *caste* in regard to this race, (i. e. whether emancipated or not) although of interest in itself, is not, if we must choose between the two, of equal importance to be retained.

The great difference of mortality shewn here in favor of females, transcends very much that recognized hitherto in Europe; when the ratios are taken upon the aggregates of each sex respectively at all ages. There, the proportion of deaths, male and female, is inversely very nearly the same as of male and female births; the difference in both cases being about 5 per cent. on the male factor. Here, the difference appears to be nearly four times as great. If one were called on to account for this difference, it could only be in part by referring to the different social position of the female sex on the two continents. For instance, in England and Wales even, but more especially in Continental Europe, females are habitually employed in severe bodily labor and exposures which are here rarely required from them; and this, without regard to the peculiar infirmities and indispositions to which the weaker sex is characteristically liable. But on the other hand, it may be answered, and



with reason, that this consideration only applies to the lower classes, born *amid* and therefore, it may be alleged, *for* labor; while the physical education of females in the upper classes throughout Europe, but especially in England, is vastly more calculated for healthy development and therefore longevity, than the habits of either class here.

But however this may be, it is very well known and admitted that the disparity of male and female mortality is very much under the domain, (at least under the influence) of *age*; and it is much to be desired, therefore, that our own Health-returns should discriminate between the sexes in this particular. Such a discrimination would add nothing to the labor of ascertainment; for sex is much more unmistakeable than age; and the proverbial antipathy of females to developments on this last point, may be supposed to control only the living and to cease at and after death.

Besides the interest for the physiologist and statist in this improvement in the form of our Health-returns, there is an additional stimulus to it in the new and lately widening field for the employment of capital in Life-assurance; where data of this sort, derived from and applicable to our own community, would be peculiarly acceptable. Up to this time, the assurance of lives here has been, in great part or entirely, based upon observations made elsewhere under circumstances of numbers, climate, locality, social and national habits, &c., very different from what operates here; if they do not accurately apply, then, there can be no occasion for surprise. And rarely, if at all, in any of the Institutions for this purpose, is there any regard paid to the sex of the applicant; although it is not to be doubted but that according to different periods, female life is now more, now less, insurable than that of males.

In illustration of this, and to indicate the existing state of knowledge on the subject, I have prepared and present here a summary of the observations on it by Mr. Quetelet, for Belgium. I do not think it necessary to retain the minute differences of ages which this writer has given, being desirous rather to groupe the results in their greatest generality of physical aspect; and I have equally omitted the distinction between inhabitants of towns and of rural districts, since although it is at some periods very emphatic yet in the aggregate means there is, after all, very slight difference.

*Table shewing the Proportionate Mortality of Males and Females at different epochs of life.*

<i>Age.</i>	<i>Male Deaths.</i>		<i>Female Deaths.</i>
Still-born,	1,52	:	1.
From 0 to 1 year.	1,22	:	1.
1 to 5	1,0	:	1.
5 to 14	0,92	:	1.
14 to 18	0,79	:	1.
18 to 26	1,06	:	1.
26 to 30	0,93	:	1.
30 to 40	0,75	:	1.
40 to 50	0,97	:	1.
50 to 60	1,13	:	1.
60 to 70	1,01	:	1.
70 to 80	0,88	:	1.
80 to 100	0,80	:	1.

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Although it is not probable that precisely these numerical proportions would hold good with us, yet they are in general so conformable to the laws of physical development as to leave little doubt of their exemplification wherever the sexes are collected in sufficient numbers together. Thus, even before age is counted at all, the male fœtus, larger than the female, more capacious in his requirements and more demanding in his needs, is all the less likely to have those needs supplied from that maternal being whom sickness, accident, compliance with the taste and fashion of society, and a thousand things may tend to render weaker still. So, during the period of lactation, the male infant is more likely than the female, to find his natural nourishment stinted. These probabilities are evinced in the proportions of the Table; by which, before or at birth one-half, and before one year old one-fourth more males than females die. From one to five years, when children are less immediately dependent on the mother, the difference of sex disappears; the more rapid development of the girl supplies a vigor equal to the boy's. Thence, from second dentition to puberty, the girl's weaker frame causes her to succumb the more readily. From puberty to the period when her organization is completely developed and she is said in most countries to be of *age*, the burden of her double system causes a marked disparity in her chance of life. Between 18 and 26 years (the average epoch of marriage) the period of the passions, it is the stronger, wilder sex, that pays for its greater irregularities and more frequent gratifications with a greater outlay of life; while from 26 to 50, the period of fecundity, the perpetuation of the race is too often purchased with the existence of the mother. From 50 to 70, the woman has lost the most of her characteristic pathological type; if her organism is more frail, it is at least less exposed to hardship or trial; and, with a weaker physical constitution, her habitually greater temperance and domesticity afford her a higher chance for existence. From this last age, the two sexes may be said to have become confounded; persons of either arrive at and surpass it, in virtue of individual strength of constitution or of accessory habits and circumstances which create and support a claim for life; and although the absolute number of female deaths exceeds that of males, their relative mortalities are nearly or quite the same.

These considerations upon the varying relations of the sexes at different epochs carry us by an easy transition to one of the most important modifications of the subject,—I mean, the *influence of Age* upon mortality. This, which has hitherto been the chief element employed by mathematicians in their discussions upon the probabilities of Life, and it may be said, the one exclusively referred to in the practical application of those probabilities to Assurance of Lives, must (as is plain from what has been said) now be combined with other elements in order to attain a safe and reliable conclusion as to the type of the human race and the laws of life and mortality which govern average Man. It was, therefore, necessary that the consideration of the principal of these other points should precede what is to be said on this, which will be taken up in the next Number.

## GOLD HUNTING.

From Washington Irving's *Life of Columbus*.

Before relating the return of Columbus to Hispaniola, it is proper to notice some of the principal occurrences in that island, which took place under the government of Ovando. A great crowd of adventurers of various ranks had thronged his fleet: eager speculators, credulous dreamers, and broken down gentlemen of desperate fortunes; all expecting to enrich themselves suddenly, in an island where gold was to be picked up from the surface of the soil, or gathered from the mountain brooks. They had scarcely landed, says Las Casas, who accompanied the expedition, when they all hurried off to the mines, which were about eight leagues distance. The roads swarmed like ant-hills, with adventures of all classes. Every one had his knapsack stored with biscuit or flour, and his mining implements on his shoulders. Those hidalgos, or gentlemen, who had no servants to carry their burdens, bore them on their backs, and lucky was he who had a horse for the journey; he would be able to bring back the greater load of treasure. They all set out in high spirits, eager who should first reach the golden land, thinking they had but to arrive at the mines, and collect riches: 'for they fancied,' says Las Casas, 'that gold was to be gathered as easily and readily as fruit from the trees.' When they arrived, however, they discovered, to their dismay, that it was necessary to dig painfully into the bowels of the earth, a labor to which most of them had never been accustomed; that it required experience and sagacity to detect the veins of ore; that in fact, the whole process of mining was exceeding toilsome, demanding vast patience, much experience, and after all being full of uncertainty. They digged eagerly for a time, but found no ore. They grew hungry, threw by their implements, sat down to eat, and then returned to work. It was all in vain. 'Their labor,' says Las Casas, 'gave them a keen appetite and quick digestion, but no gold.' They soon consumed their provisions, exhausted their patience, cursed their infatuation, and in eight days set off drearily on their return, along the roads they had lately trod so exultingly. They arrived at San Domingo, without an ounce of gold, half famished, downcast, and despairing.\* Such is too often the case of those who ignorantly engage in mining: of all speculations the most brilliant, promising and fallacious.

Poverty soon fell upon these misguided men. They exhausted the little property they had brought from Spain. Many suffered extremely from hunger, and were obliged to exchange even their apparel for bread. Some formed connexions with the old settlers of the island, but the greater part were like men lost and bewildered, and just awakened from a dream. The miseries of the mind, as usual, heightened the sufferings of the body. Some wasted away and died broken hearted; others were hurried off by raging fevers, so that there soon perished upwards of a thousand men.

\*Las Casas, *Hist. Ind. L. 2, C. 6.*

## BANKS OF BALTIMORE.

*Resources and Liabilities of the Banks of Baltimore, 1 January, 1849, compiled for the Bankers' Magazine from the Official Statements.*

RESOURCES.			Stocks.	Real Estate.	Specie.	Bank Balances.	Bank Notes.	Presidents.
Merchants Bank, . . . . .	\$1,898,260		\$154,984	\$25,000	\$272,267	\$100,535	\$103,300	James Swan.
Bank of Baltimore, . . . . .	1,534,760		22,126	15,625	237,246	141,562	17,811	James H. McCulloh.
Union Bank, . . . . .	1,223,631		19,258	95,658	160,393	84,341	89,758	John M. Gordon.
Farmers and Planters Bank, . . . . .	1,023,597		. . . .	. . . .	238,992	77,308	75,450	William E. Mayhew.
Mechanics Bank, . . . . .	1,011,146		6,500	8,500	142,296	63,500	52,673	John B. Morris.
Commercial and Farmers Bank, . . . . .	857,210		58,231	34,674	227,710	146,759	. . . .	Thomas Meredith.
Farmers and Merchants Bank, . . . . .	445,447		133,150	8,890	77,700	9,486	18,931	J. Hanson Thomas.
Chesapeake Bank, . . . . .	463,618		147,654	22,210	90,454	28,876	66,991	John S. Gittings.
Marine Bank, . . . . .	434,798		73,140	23,208	73,512	21,070	17,214	Jacob Bier.
Western Bank, . . . . .	595,878		. . . .	19,975	262,331	48,482	99,905	Chauncey Brooks.
Franklin Bank, . . . . .	314,978		17,183	56,931	22,508	2,833	18,948	John J. Donaldson.
Total Resources, . . . . .	\$9,803,313		\$632,226	\$310,671	\$1,805,909	\$724,302	\$565,981	

LIABILITIES.			Capital.	Circulation.	Deposits.	Dividends Unpaid.	Bank Balances.	Profit & Loss.	Cashiers.
Merchants Bank, . . . . .	\$1,500,000		\$1,500,000	\$162,225	\$339,164	\$47,543	\$362,222	\$148,192	Daniel Sprigg.
Bank of Baltimore, . . . . .	1,200,000		1,200,000	182,526	358,233	. . . .	145,794	96,474	C. C. Jamison.
Union Bank, . . . . .	916,350		916,350	147,539	306,908	34,653	237,375	50,714	Robert Mickie.
Farmers and Planters Bank, . . . . .	600,625		600,625	383,357	264,890	22,918	99,553	49,004	Thomas B. Rutter.
Mechanics Bank, . . . . .	590,844		590,844	189,753	428,764	2,640	25,194	47,420	James W. Allnutt.
Commercial and Farmers Bank, . . . . .	512,560		512,560	162,370	352,803	4,345	181,620	110,383	Trueman Cross.
Farmers and Merchants Bank, . . . . .	393,560		393,560	121,582	118,304	3,694	9,036	47,428	John Loney
Chesapeake Bank, . . . . .	340,577		340,577	89,867	262,100	17,235	78,633	31,391	James Lowndes.
Marine Bank, . . . . .	310,000		310,000	104,681	177,268	. . . .	30,633	20,350	Philip Littig, Jr.
Western Bank, . . . . .	308,280		308,280	255,489	166,824	1,434	289,096	12,448	James H. Carter.
Franklin Bank, . . . . .	301,850		301,850	48,778	54,671	9,838	507	17,787	Aquila P. Giles.
Total Liabilities, . . . . .	\$6,974,646		\$1,848,167	\$2,929,929	\$144,903	\$1,455,663	\$631,591		

*Recapitulation of the condition of the several Banks of Baltimore  
on the 1 January 1847 and 1849.*

LIABILITIES.	1 January, 1847.	1 January, 1849.
Capital, . . . . .	\$6,969,329	\$6,974,646
Undivided Profits, . . . . .	701,291	631,591
Circulation, . . . . .	1,990,639	1,849,167
Bank Balances, . . . . .	959,014	1,455,663
Individual Deposits, . . . . .	3,367,732	2,974,732
<b>Total Liabilities, . . . . .</b>	<b>\$13,968,005</b>	<b>\$13,884,799</b>
RESOURCES.	January, 1847.	January, 1849.
Loans and Stocks, . . . . .	\$10,746,533	\$10,440,539
Real Estate, . . . . .	379,467	310,671
Specie, . . . . .	1,814,312	1,905,909
Bonus, <i>Union Bank</i> , . . . . .	24,000	20,000
Bonus, <i>Bank of Baltimore</i> , . . . . .	16,897	16,897
Bank Notes, . . . . .	592,936	565,981
Bank Balances, . . . . .	413,860	724,802
<b>Total Resources, . . . . .</b>	<b>\$13,938,005</b>	<b>\$13,834,799</b>

The returns for January, 1848, will be found on page 508, volume second. There is a remarkable evenness in the items of circulation, deposits, loans and specie: and there is not that increase which the enlarged business, capital and population of Baltimore, would seem to require.

There is as large an amount of coin on hand at Baltimore as at Boston, where the circulation is nearly five millions, and where nearly the whole circulation of New England is redeemed.

The Bank circulation of Virginia, enters largely into the business of Maryland, displacing the notes of the City and Country Banks of the latter State.

*The following comparative view of Circulation and Coin in the several Cities will afford food for reflection.*

	<i>Bank Capital.</i>	<i>Circulation.</i>	<i>Coin in Banks.</i>
Boston, . . . . .	\$18,980,000	\$4,900,000	\$1,880,000
New York, . . . . .	24,000,000	7,000,000	6,600,000
Philadelphia, . . . . .	9,220,000	5,000,000	3,000,000
Baltimore, . . . . .	6,970,000	1,800,000	1,800,000
Charleston, . . . . .	9,150,000	3,500,000	950,000
New Orleans, . . . . .	17,600,000	6,000,000	7,600,000

The entire Bank circulation of the United States, may be estimated at \$125,000,000, and the coin in the Banks at \$60,000,000.

The latest returns from the Banks of Great Britain, as contained on page 488, of this No., show a circulation in England, Scotland and Ireland, equivalent to \$150,000,000, or \$5½ per head; and coin in the Banks of about \$100,000,000.

## BANKS OF MASSACHUSETTS.

*From the Annual Abstract furnished to the Secretary of State, September, 1848.*

DUE FROM THE BANKS.	26 Banks in Boston.	86 Banks out Boston.	Total. 112 Banks.
Capital Stock paid in, . . . . .	\$18,990,000	\$14,005,000	\$32,995,000
Circulation of \$5 and upwards, . . . .	4,180,922	6,626,370	10,807,192
Circulation less than \$5, . . . . .	770,411	1,618,425	2,388,837
Net profits on hand, . . . . .	2,419,650	1,317,783	3,737,434
Balances due other Banks, . . . . .	3,866,998	216,652	4,083,650
Deposits, . . . . .	5,779,350	2,315,620	8,094,970
Cash deposited bearing Interest, . . .	351,212	118,804	470,016
Total, . . . . .	\$36,348,443	\$26,218,656	\$62,567,099

RESOURCES.			
Gold and Silver, . . . . .	\$1,885,805	\$692,225	\$2,578,030
Real Estate, . . . . .	688,265	384,851	1,073,116
Bills of other Banks in this State, . .	1,898,176	232,402	2,130,578
Bills of Banks elsewhere, . . . . .	153,101	53,138	206,239
Balances due from other Banks, . . .	1,635,020	1,834,014	3,469,034
Loans, . . . . .	30,088,076	23,022,026	53,110,102
Total, . . . . .	\$36,348,443	\$26,218,656	\$62,567,099

DIVIDENDS.			
In October, 1847, . . . . .	\$620,800	\$402,370	\$1,023,170
In April, 1849, . . . . .	702,800	474,895	1,177,695
Reserved profits at last Dividend, . .	1,497,823	821,849	2,319,673
Debts secured by pledge of its Stock, .	551,708	406,568	958,276
Debts considered doubtful, . . . . .	18,010	171,019	189,030

*Comparative view of the condition of the Banks of Massachusetts,  
1846, 1847, 1848.*

LIABILITIES.	October, 1846.	Septem. 1847.	Septem. 1848.
Capital, . . . . .	\$31,160,000	\$32,113,150	\$32,985,000
Circulation, . . . . .	14,591,914	17,196,362	13,196,029
Profits, . . . . .	2,504,136	3,499,583	3,737,435
Bank Balances, . . . . .	5,285,015	7,263,282	4,083,651
Deposits, . . . . .	10,360,649	11,030,270	8,564,985
Total, . . . . .	\$63,901,714	\$71,102,647	\$62,567,100

RESOURCES.	October, 1846.	Septem. 1847.	Septem. 1848.
Coin on hand, . . . . .	\$3,054,755	\$3,943,954	\$2,578,030
Real Estate, . . . . .	1,098,000	1,062,950	1,073,117
Bank Notes, . . . . .	2,854,755	3,263,463	2,336,518
Bank Balances, . . . . .	5,568,098	5,571,240	3,469,035
Loans, Stocks, &c. . . . .	51,326,114	57,260,940	53,110,100
Total, . . . . .	\$63,901,713	\$71,102,647	\$62,567,100

The circulation and deposits have diminished twenty-five per cent. during the twelve months, and the coin reduced one-third.

## INDIANA.

*Comparative view of the Liabilities and Resources of the State Bank of Indiana and Branches, 1846, 1847, 1848.*

LIABILITIES.	Novem. 1846.	Novem. 1847.	18 Nov. 1848.
Capital Stock owned by the State, . . .	\$935,854	\$968,054	\$982,404
Do. do. by individuals, . . .	1,147,970	1,114,820	1,100,506
Circulation, . . . . .	3,336,533	3,606,452	3,552,210
Due to the State, . . . . .	89,535	134,200	81,646
Bank Balances, . . . . .	47,886	34,545	82,293
Individual Deposits, . . . . .	409,989	555,774	452,625
Dividends Unpaid, . . . . .	31,832	25,710	21,581
Fund to cover Losses, . . . . .	413,563	453,444	527,800
Profit and Loss, . . . . .	23,819	77,176	125,454
Balances between Branches, . . . . .	73,309	69,148	71,418
<b>Total Liabilities, . . . . .</b>	<b>\$6,510,290</b>	<b>\$7,039,324</b>	<b>\$6,997,937</b>
RESOURCES.	Novem. 1846.	Novem. 1847.	18 Nov. 1848.
Bills Discounted, . . . . .	\$1,659,353	\$1,574,722	\$1,647,622
Bills of Exchange, . . . . .	1,359,385	1,464,076	1,791,321
Suspended Debt, . . . . .	577,647	460,115	442,602
Bank Balances, . . . . .	803,065	1,081,195	227,040
Balances between Branches, . . . . .	63,534	81,272	148,642
Real and Personal Estate, . . . . .	349,790	373,461	382,076
Funds in Transit, . . . . .	113,578	247,698	231,156
Sinking Fund and Treasury Notes, . . . . .	419,310	337,555	241,106
State of Indiana Bonds, . . . . .	36,000	36,000	71,000
Notes of other Banks, . . . . .	119,976	299,250	147,451
Coin on hand, . . . . .	1,003,647	1,083,980	1,273,896
Eastern Funds, . . . . .			394,025
<b>Total Resources, . . . . .</b>	<b>\$6,510,290</b>	<b>\$7,039,324</b>	<b>\$6,997,937</b>

## MICHIGAN.

*Condition of the Michigan State Bank, January 1st, 1849.*

RESOURCES.		
Judgments and Notes in suit—value Jan. 1, 1849, . . . . .		\$2,876
Bonds and Mortgages, " " . . . . .		24,226
State Stock, " " . . . . .		8,053
Real Estate, " " . . . . .		18,077
Capital Stock of the Bank, . . . . .		1,050
Furniture in Banking House, . . . . .		557
Michigan Central Rail Road Bonds, . . . . .		54,900
Bills Discounted, . . . . .		206,166
Other Securities, . . . . .		31
<b>CASH—</b>		
Coin, . . . . .	\$58,326	
Bank Notes, . . . . .	5,894	
Checks on other Banks, . . . . .	320	
Deposits with Banks and Bankers, . . . . .	84,822	149,363
		<b>\$465,302</b>
LIABILITIES.		
Capital Stock, . . . . .	\$148,700	
Profit and Loss, . . . . .	16,350	
Liabilities prior to 1839, . . . . .	4,414	
Banks, . . . . .	83	
Deposits, . . . . .	100,156	
Circulation, . . . . .	195,598	
		<b>\$465,302</b>



EXPENSE OF A CURRENCY CONSISTING OF THE  
PRECIOUS METALS.

The imposition of a moderate seignorage has, however, but a very inconsiderable effect in reducing the expense of a metallic currency. This, which is much greater than is generally imagined, does not consist in the coinage, which is comparatively trifling, but in the great amount of gold and silver required for the purpose. If, for example, the currency of Great Britain consisted wholly of gold, it would amount to at least fifty millions of sovereigns; and if the customary rate of profit were six per cent., it would cost three millions a year. For had this fifty millions not been employed as money, it would have yielded six per cent. or three millions a year, of nett profit to its possessors. But this is not the only loss.

The fifty millions would not merely be withheld from the great works of production, and the country deprived of the revenue derived from its employment, but it would be perpetually diminished.

The wear and tear of the coins is by no means inconsiderable; and supposing the expenses of the coinage were defrayed by a moderate seignorage, the deficiency in the weight of the old worn coins must, on their being called in to be recoinced, be made up by the public. There is, besides, a constant loss from shipwrecks, fire, and other accidents. When due allowance is made for these causes of waste, it would not, perhaps, be too much to suppose, that a country, which had fifty millions of gold coins in circulation, would have annually to import the hundredth part of this sum, or half a million of coins to maintain its currency at its proper level.

Thus it appears, that were the customary rate of profit in Great Britain six per cent., it would cost  $3\frac{1}{2}$  millions a year to maintain fifty millions of gold coins in circulation. It is indeed true, that a reduction of the rate of profit would proportionally reduce the amount of this expense, though as the reduced expense would still bear the same proportion to the total income of the country that the higher expense did, the real cost of the currency would not be at all diminished.

The case of France furnishes a still more striking example of the heavy charges attending the general use of a metallic currency. The amount of the gold and silver currency of that kingdom has been estimated by Necker at 2,200 millions of francs, and by Peuchet at 1,850 millions. (*Statistique Elementaire de la France*, p. 473.) Now, supposing the lowest estimate to be the most correct, and taking the rate of profit at six per cent., this currency must cost France an hundred and eleven millions of francs a year, exclusive of the wear and tear and loss of the coins, which being taken, as before, at the hundredth part of the entire mass, will make the whole annual expense amount to the sum of an hundred and twenty-two millions of francs, or to nearly five millions sterling. This heavy expense certainly forms a very material deduction from the advantages resulting from the use of a currency consisting entirely of the precious metals, and has doubtless been the chief cause why all civilized and highly commercial countries have endeavored to fabricate a portion of their money of less valuable materials.

THE BANK OF DANSVILLE.

Extracts from the unanimous Report of the Committee on Banks and Insurance Companies of the Assembly of New York, April, 1847—against the petition for an investigation into the affairs of the Bank of Dansville, an association established under the General Banking Law of 1838.

The committee on banks and insurance companies, on the reference of the petition of sundry inhabitants of Livingston county, relative to the investigation of the affairs of the Bank of Dansville,

REPORTS—That they have had the same under consideration, and have given the subject a careful and patient investigation, so far as the time under their control would allow, aided by the arguments of able and distinguished counsel, as well on the part of the petitioners as on the part of the bank, on the various questions of law and of fact, arising in the case.

Before considering the principles involved in this matter, it may be well, briefly to advert to the facts presented in the papers before the committee.

The allegations on the part of the petitioners, are, in substance :

1st. That the president of the bank was guilty of fraud and collusion in the foreclosure of a certain mortgage, given to the bank as security for stock.

2d. That certain of the stockholders endorsed and delivered to the cashier, their scrip or certificates of stock, intending the same to be cancelled, and received in return their respective mortgages cancelled. And that the bank subsequently made dividends, and voted upon said stock, and finally sold the same as valid subsisting stock, contrary to the understanding and intention of the parties surrendering the same.

3d. That the president or cashier, or both, were guilty of fraud in the advertisement and sale of certain stocks pledged to the bank as security for loans.

4th. That the board of directors, in 1844, refused to suffer a committee appointed at a meeting of the stockholders, to examine as fully as they desired, the affairs and management of the bank.

5th. That the bank failed to carry out an agreement, made by the cashier with one of the stockholders, to receive from such stockholder his bond and mortgage, in exchange for certain notes held by the bank.

To these are added various amplifications and general charges of fraud and malpractices on the part of the bank ; but the above is believed to be the substance of the charges specifically made.

In answer to these charges, is a full and complete denial by the president and cashier of each and every of the charges against them, respectively, accompanied with various affidavits, certificates, and remonstrances, by the directors, stockholders, and others ; and among others, it is a little remarkable, that more than one fourth of all the petitioners appear from time to time on the other side, in the attitude of remonstrants against any legislative interference, or certifying to the good character, conduct and management of the officers of the bank, and to

its sound and healthful condition ; and two of them in their memorial say, that at the time of signing the petition, they did not read the whole of it, nor understand its object or purport, and that on subsequently reading it, they found it contained many slanderous and malicious reflections on individuals, as well as some charges which they *knew* to be untrue, and many others which they believed to be so.

Add to this the fact that this controversy has existed for several years ; that petitions and remonstrances on the subject have been presented to three successive Legislatures : that three several annual elections of directors have taken place since most of the acts complained of are alleged to have transpired ; that during all this time, as well as at the time of the alleged misconduct, some one or more of the petitioners have been in the board of directors, and that between some of the principal movers of this application, and the president and cashier of the bank, exist a near family relationship ; and it is impossible to doubt, that much of the controversy is of a personal character ; and like most personal and family quarrels, has lost nothing of its asperity by lapse of time.

On a simple review of these facts, presented in the papers, two questions presented themselves to the committee.

*First.* Has the Legislature any power or authority, on sufficient cause shown, to grant the relief sought by direct legislative enactment, aimed at a particular institution, formed under the general law, and dissolving or striking it out of existence ?

*Second.* Supposing the power to exist, is it expedient and proper for the Legislature to take upon itself the investigation and decision of such, or any similar matters, clearly within the cognizance of the judicial tribunals of the State ?

In the solution of the first of these questions, in addition to the arguments of the counsel, your committee have been favored with the opinion of the Attorney-General, furnished in compliance with a resolution of the House, and which is hereto annexed, marked "A." They have also looked into the report of the committee of the Senate on the same subject in 1845, and the two counter reports made by the committee of the House in 1846. It is conceded by counsel on both sides, and the Attorney-General is understood in effect to make the same concession, that whatever power belongs to the Legislature in the premises, must either have been reserved in the general banking law itself, or reserved or conferred in some other prior legislative enactment ; and clearly any argument upon the subject must be based upon such hypothesis, as the exercise of any power not so reserved or conferred, would be palpable violations of the first subdivision of the 10th section of the first Article of the Constitution of the United States, which provides that "no State shall pass any law impairing the obligation of contracts."

The opinion of the Attorney-General, above referred to, (and which embraces substantially all the propositions contended for on the part of the petitioners,) labors chiefly to establish the following propositions, to wit :

*First.* That associations formed under the general banking law, are corporations.

*Second.* That being corporations, such associations are necessarily subject to the provisions contained in the 8th sec. of title 3, chap. 18, of the First Part of the Revised Statutes, which provides that "the charter of every corporation that shall hereafter be granted by the Legislature shall be subject to alteration, suspension and repeal, in the discretion of the Legislature."

*Third.* That the right reserved by the Legislature in the 32d sec. of the general banking law, "at any time to alter or repeal that act," is sufficiently broad and comprehensive to authorize the dissolution or repeal of a particular association formed under it.

These propositions, though emanating from a source entitling them to great consideration, and although reasoned with the usual ability of their distinguished author, and fortified by the citations of copious authorities, are nevertheless, in the opinion of your committee, to be received with some degree of allowance and qualification.

The committee are well aware that the court of last resort, as well as the Supreme Court, has repeatedly decided that these associations are corporations for certain purposes, and within the intent and meaning of certain statutes, yet in the same decisions in the Court of Errors, they are uniformly held not to be corporations, within the intent and meaning of the 9th section of the 7th article of the then Constitution of the State, which provides that "the assent of two-thirds of the members elected to each branch of the Legislature shall be requisite to every bill *creating, continuing, altering or renewing any body politic or corporate,*" thus recognizing the principle, that an association or partnership may exist, possessing all the essential elements of a corporation, and yet not be a "corporation chartered by the Legislature," in the legal technical application of those terms.

It might be sufficient for our present purpose, to say, that such is the decision of the highest court of judicature known to our laws, *Warner vs. Beers*, 23 Wend. 103, *Gifford vs. Livingston*, 2 Denio 380, the *People vs. De Baw*, 2 Denio., (not yet published.) But inasmuch as the action of this Legislature will affect not merely the Bank of Dansville, but involves an important principle affecting the general banking and business interests of the State, and may go far to establish a precedent for future legislation, your committee having listened to a very learned and elaborate exposition of this principle on either side, deem it proper to state the reasons on which their conclusion is, and the decisions of our courts seem to be based.

But it is said to be one of the duties of government or of the sovereign, to furnish the people with a currency. And hence it is inferred, that every act tending to that end, is necessarily an act of sovereign power. If this be true, then have the governments of this country, both State and National, been grossly remiss in the discharge of this important duty. None of them have ever done, or attempted to do, anything more for this purpose, than to endeavor by wholesome regulations, to protect the people against imposition and loss from the circulation of spurious or unsound currency, in the same manner as they have endeavored to prohibit the furnishing of unsound meats or impure water; yet your committee believe it has never been regarded as the

duty of government to furnish the people with meat or with water. These, as well as currency, are furnished by the people, individually or by companies, to themselves and to each other, and the only aid they ask or require at the hands of the government, is protection, as against theft or robbery.

The terms "grant," "charter," "franchise," are not exclusively or peculiarly applicable to corporations. The same are equally applicable to a great variety of the business transactions, rights, privileges, and immunities of the people at large. The term "grant," as heretofore used in reference to legislative action, applies to a single act—thus we say a grant of land; a grant of a right to erect a bridge or dam across a public stream; a grant of corporate privileges or franchises; a grant of a charter. But a relinquishment on the part of the whole people, in their collective capacity, of certain rights, privileges and franchises, to each and every of the people individually, can scarcely, in the opinion of your committee, be properly called a grant, and differs widely, both in theory and in fact, from the practice of conferring similar rights, privileges and franchises, by a king, reigning by divine right, and the acknowledged source and centre of all power, prerogative, privilege and franchise.

The general law was intended to establish a new and complete system of banking. It depended not on rules and regulations made in reference to special legislative charters; but provided all that seemed necessary to carry out the system, all the securities and safeguards provided for the protection of bill holders under the old system, had been found inadequate to afford perfect safety, it was found difficult if not impossible, to provide absolute security to both bill holders and depositors, and it was believed the latter had the means of taking care of themselves, because a deposit of money for safe keeping was a voluntary act, whilst the former were practically compelled to take the currency afloat as the only means of carrying on business with ordinary advantage. Hence, the general law provided what was deemed *absolute security* for bill holders, leaving depositors to look out for themselves in the same manner as other persons secure their money in loans or other investments; under the old system, the Legislature prescribed nearly all the modes and forms of organization, designated officers and the manner of their election, while the general law left these matters almost exclusively to the associates, as in all partnership business, the general law made provisions to secure the *public* as far as possible against any loss or imposition, and nothing beyond. In the case of individual bankers, the same security has been provided, and nearly the same provisions to secure and preserve the interests of the public, as in the case of associations.

Great apprehension and alarm are expressed, on the part of the petitioners, at the probable consequences to follow, from the Legislature disavowing any power to dissolve one of these institutions. There are about 70 banks in the State, formed under this general law, with an aggregate capital of about 12 or \$13,000,000; and "it is a startling proposition (say the counsel) that this immense amount of capital is above or beyond the control of the Legislature."

And yet there are hundreds of millions embarked in the business of agriculture, commerce and manufactures, over which the Legislature has never, to the knowledge of your committee, possessed, or claimed to possess, any right of control, except through the action of general laws, equally applicable to all. Indeed, a single individual in the State is supposed to possess a capital equal to at least double the aggregate capital of all these banks; yet the Legislature has never claimed the right of enacting special laws to control the management of the person or property of that individual.

It is conceded that great aggregate wealth carries with it great power and influence; and it is not doubted that such power may be, and often is, in the hands of unprincipled men, made the instrument of wrong and oppression; yet we do not, therefore, discourage the increase of wealth, nor, indeed, its aggregation for legitimate and useful purposes. But for the aggregated wealth of that great mother of corporations, the State, we never should have had the Erie canal, and but for the aggregated wealth of these lesser corporations, no steamboat would ever have ridden or rail car run, upon our public highways, to aid the profit or convenience of the people of the State. These institutions as much as any other, distinguish us from the unskilful wild men, who preceded us in the occupation of this territory. They are based upon great general principles, and none other than such should ever be invoked, for their regulation or dissolution. \* \* \* \*

Now if the precedent is to be established, of entertaining the consideration of such subjects by the Legislature, the hundred days session contemplated by the new Constitution, will scarcely be sufficient to dispose of such complaints alone. The principle once established, and rumor or suspicion admitted as a proper ground of inquiry, and every ambitious stockholder failing to be elected a director, and every dealer failing to obtain the discounts he requires—every dishonest man who is compelled to pay his note—every malicious individual who may have a private pique against an officer of the bank, will rush to the Legislature, heralding common rumors and suspicions, and clamoring for Legislative investigation; and who can fail to perceive the effects that must necessarily follow from such a course of proceedings. The very life and soul of banking institutions is public confidence and credit. Can such confidence survive a legislative decision, that sufficient evidence of malpractice existed to authorize a suspension of the common law of the land, and a resort to summary legislative interference, for the more speedy or effectual administration of justice? In the judgment of your committee, very few of the best managed institutions of the State could stand the test of such an assault.

Your committee are fully satisfied from all the facts and circumstances brought before them, that the Dansville Bank is a sound and solvent institution, and is so managed as not to endanger the public interests. They therefore beg leave to offer the following resolution:

*Resolved:* That the prayer of the petitioners ought not to be granted.

A. K. HADLEY,	E. CROSBY,	} Committee.
J. H. DEWITT,	J. J. GALLUP,	
W. MAXWELL,		

## THE BANK OF ENGLAND.

The following sketch of the successive renewals of the charter of the Bank, of the conditions under which these renewals were made, and of the variations in the amount and interest of the permanent debt due by the English government to the Bank of England (exclusive of the dead weight) we take from the Encyclopedia Britannica.

1694. The charter of the Bank of England, granted under the Act 5 and 6 William III., c. 20, redeemable upon the expiration of twelve months' notice after the 1st August, 1705, upon payment by the public to the Bank of the demand therein specified.

Under this Act the Bank advanced to the public £1,200,000, in consideration of their receiving an annuity of £100,000 a year, viz. eight per cent. interest, and £4,000 for management, £1,200,000 0s. 0d.

1697. Charter continued by 8 and 9 William III., c. 20, till twelve months' notice after 1st of August, 1710, on payment, &c.

Under this Act the Bank took up and added to their stock £1,000,171 exchequer bills and tallies.

1708. Charter continued by 7 Anne, c. 7, till twelve months' notice after 1st of August, 1732, on payment, &c.

Under this Act the Bank advanced £400,000 to government without interest; and delivered up to be cancelled £1,775,027 17s. 10d. exchequer bills, in consideration of their receiving an annuity of £106,501 13s. being at the rate of six per cent., £2,175,027 17s. 10d.

1713. Charter continued by 12 Anne, stat. I., cap. 11, till twelve months' notice after the 1st of August, 1742, on payment, &c.

In 1716 by the 3d George I., c. 8, the Bank advanced to Government, at five per cent. . . . . £2,000,000 0s. 0d.

And by the same Act, the interest on the exchequer bills cancelled in 1780, was reduced from six to five per cent.

In 1721, by 8 George I., c. 21, the South Sea Company were authorized to sell £200,000 government annuities, and corporations purchasing the same at 26 years' purchase, were authorized to add the amount to their capital stock. The Bank purchased the whole of these annuities at 20 years' purchase, . . . . . £4,000,000 0s. 0d.

*Making the public debt in 1721, . . . . . £9,375,027 17 10*

Five per cent. interest, was payable on this sum to midsummer 1727, and thereafter four per cent.

At different times between 1727 and 1738, both inclusive, the Bank received from the public, on account of permanent debt, £3,275,027 17s. 10d., and advanced to it on account of ditto, £3,000,000: Difference, . . . . . £275,027 17s. 10d.

*Debt due by the Public in 1738, . . . . . £9,100,000 0 0*

1742. Charter continued by 15 George II., c. 13, till twelve months' notice after the 1st of August, 1764, on payment, &c.

Under this Act the Bank advanced £1,600,000 without interest, which being added to the original advance of £1,200,000, and the



£400,000 advanced in 1710, bearing interest at six per cent., reduced the interest on the whole to three per cent. . . . £1,800,000 0s. 0d.

In 1745, under authority of 19 George II., c. 6, the Bank delivered up to be cancelled £986,000 of exchequer bills, in consideration of an annuity of £39,472, being at the rate of 3 per cent., £986,000 0s. 0d.

In 1749, the 23d George II., c. 6, reduced the interest on the four per cent. annuities, held by the Bank, to three and a half per cent. for seven years from the 25th of December, 1750, and thereafter to three per cent.

1764. Charter continued by 4 George III., c. 25, till twelve months' notice after the 1st of August, 1786, on payment, &c.

Under this Act the Bank paid into the exchequer £110,000, free of all charge.

1781. Charter continued by 21 George III., c. 60, till twelve months' notice after the 1st of August, 1812, on payment, &c,

Under this Act the Bank advanced £3,000,000 for the public service for three years, at three per cent.

1800. Charter continued by 40 Geo. III. c. 28, till twelve months' notice after the 1st of August, 1833, on payment, &c.

Under this act the Bank advanced to government £3,000,000 for six years without interest; but in pursuance of the recommendation of the committee of 1807, the advance was continued, without interest, till six months after the signature of a definitive treaty of peace.

In 1816, the Bank, under authority of the Act, 56 George III., c. 96, advanced at three per cent., to be re-paid on or before the 1st of August, 1833, . . . . . £3,000,000 0s. 0d.

*Debt in 1846,* . . . . . £14,686,000 0 0

1833. Charter continued by 3 and 4 William IV., c. 98, till twelve months' notice after the 1st of August, 1855, with a proviso that it may be dissolved on twelve months' notice after the 1st of August, 1845, on payment, &c.

This Act directs, that in future the Bank shall deduct £120,000 a year from their charge on account of the management of the public debt; and that a fourth part of the debt due by the public to the Bank, or £3,638,250, be paid off, . . . . . £3,638,250, 0s. 0d.

Permanent advance by the Bank to the public, bearing interest at three per cent., independent of the advances on account of dead weight, or other public securities held by her, . . . . £11,047,750 0s. 0d.

1844. Renewal of Bank Charter, 7 and 8 Victoria, c. 32. This Act divides the Bank into two departments, viz: an *Issue Department* and a *Banking Department*; and limits the amount of Bank paper that may be issued, upon other securities than gold, to fourteen millions. This Act also limits the issues of country banks, whether upon gold or any other security, to the average of the twelve weeks, ending April 27—about eight millions.—[Ed. B. M.]

#### Usury Laws.

The Act of 1840, (2 and 3 Victoria, c. 37,) exempts all bills of exchange and loans above £10 on personal securities from the operation of the Usury Laws. Loans upon real estate still limited to five per cent

## THE BANKS OF GREAT BRITAIN.

Our readers will find in our last volume a Recapitulation of the aggregate Currency of each State in the Union. We now add a similar condensed view of the Bank Note Circulation and Coin of Great Britain, November, 1848.

	<i>Actual Circulation.</i>	<i>Authorised Circulation.</i>	<i>Coin.</i>
Bank of England, . . . . .	£17,500,000	£27,000,000	£14,000,000
185 Private Banks, as per list, . . . . .	3,700,000	4,880,000	2,000,000
67 Joint Stock Banks, . . . . .	2,600,000	3,400,000	1,000,000
18 Scotch Banks, . . . . .	3,100,000	3,087,000	923,000
8 Irish Banks, . . . . .	4,500,000	6,354,000	1,492,000
	<u>£31,400,000</u>	<u>£44,721,000</u>	<u>£19,415,000</u>

*A list of Country Banks doing business in Great Britain, November, 1848, including the Private and Joint Stock Banks of England, Scotland and Ireland, with the amount of Circulation authorised to each.*

## PRIVATE BANKS.

Andover Bank, . . . . .	£17,751	Carmarthen Bank, . . . . .	£23,597
Ashford Bank, . . . . .	11,849	Chertsey Bank, . . . . .	3,436
Aylsham Bank, . . . . .	5,854	Colchester Bank, . . . . .	25,082
Aylesbury Old Bank, . . . . .	48,461	Colchester and Essex Bank, . . . . .	48,704
Baldock and Biggleswade Bank, . . . . .	37,223	Cornish Bank, . . . . .	49,869
Barnstaple Bank, . . . . .	17,182	Coventry Bank, . . . . .	12,045
Basingstoke and Odiham Bank, . . . . .	24,730	City Bank, Exeter, . . . . .	21,527
Bedford Bank, . . . . .	34,218	Craven Bank, . . . . .	77,154
Bedford and Bedfordshire Bank, . . . . .	8,515	Christchurch Bank, . . . . .	2,840
Bewdley Bank, . . . . .	18,597	Cardiff Bank, . . . . .	7,001
Bicester and Oxfordshire Bank, . . . . .	27,090	Chepstow Old Bank, . . . . .	9,387
Birmingham Bk.—Attwoods & Co. . . . .	23,695	Derby Bank—Messrs. Evans, . . . . .	13,332
Birmingham & Warwickshire Bk. . . . .	18,132	Derby Bank—Smith & Co. . . . .	41,304
Blandford Bank, . . . . .	9,723	Derby Old Bank, . . . . .	27,237
Boston Bank—Garfit & Co. . . . .	75,069	Devizes and Wiltshire Bank, . . . . .	20,674
Boston Bank—Gee & Co. . . . .	15,161	Diss Bank, . . . . .	10,657
Bridgewater Bank, . . . . .	10,028	Doncaster Bk. and Retford Bk. . . . .	77,400
Bristol Bank, . . . . .	48,277	Darlington Bank, . . . . .	86,218
Broseley and Bridgenorth Bank, . . . . .	26,717	Devonport Bank, . . . . .	10,664
Buckingham Bank, . . . . .	29,657	Dorchester Old Bank, . . . . .	48,807
Bury and Suffolk Bank, . . . . .	82,362	East Cornwall Bank, . . . . .	112,280
Banbury Bank, . . . . .	43,457	East Riding Bank, . . . . .	53,392
Banbury Old Bank, . . . . .	55,153	Essex Bk. & Bishops Stortf'd Bk. . . . .	69,637
Bath City Bank, . . . . .	4,572	Exeter Bank, . . . . .	37,994
Bedfordshire Leighton Buz. Bk. . . . .	36,829	Fakenham Bank, . . . . .	24,293
Birmingham Bk., Taylor & Lloyds . . . . .	38,816	Faringdon Bk. & Bk. of Wantage, . . . . .	8,977
Bradford Old Bank, . . . . .	12,676	Farnham Bank, . . . . .	14,202
Brecon Old Bank, . . . . .	68,271	Faversham Bank, . . . . .	6,681
Brighton Union Bank, . . . . .	33,794	Godalming Bank, . . . . .	6,322
Burlington and Driffield Bank, . . . . .	12,745	Grantham Bk.—Kewney & King, . . . . .	19,401
Bury St. Edmund's Bank, . . . . .	3,201	Guildford Bank, . . . . .	14,524
Bromsgrove Bank, . . . . .	16,799	Grantham Bank—Hardy & Co. . . . .	30,372
Cambridge Bk.—Mortlock & Sons, . . . . .	25,744	Hastings Old Bank, . . . . .	38,038
Cambridge & Camb'dgeshire Bk. . . . .	49,916	Hereford City and County Bank, . . . . .	22,364
Canterbury Bank, . . . . .	33,671	Hertford and Ware Bank, . . . . .	23,635

Hull & Kingston-upon-Hull Bk. £19,979	Reading Bk.—Stephens & B. £43,271
Huntingdon Town & Co. Bk. . . . . 56,591	Richmond Bank, York, . . . . . 6,889
Harwich Bank, . . . . . 5,778	Ringwood and Poole Bank, . . . . . 11,556
Hemel Hempstead Bank, . . . . . 23,842	Rochdale Bank, . . . . . 5,590
Hertfordshire, Hitchen Bank, . . . . . 38,764	Rochester, Chatham & Strood Bk. . . . . 10,480
Hereford, Ross & Archenf'd Bk. . . . . 27,625	Royston Bank, . . . . . 16,393
Ipswich Bank, . . . . . 21,901	Rugby Bank, . . . . . 17,250
Ipswich & Needham Market Bk. . . . . 80,699	Rye Bank, . . . . . 29,864
Kentish Bank, . . . . . 19,895	Reigate and Dorking Bank, . . . . . 13,700
Kington and Radnorshire Bank, . . . . . 26,050	Ross Old Bank, Herefordshire, . . . . . 7,420
Knighton Bank, . . . . . 9,090	Saffron Walden & N. Essex Bk. . . . . 47,646
Knaresborough Old Bank, . . . . . 21,825	Salop Bank, . . . . . 22,338
Kendal Bank, . . . . . 44,663	Scarborough Old Bank, . . . . . 24,813
Kettering Bank, . . . . . 9,192	Shrewsbury Old Bank, . . . . . 43,191
Lane End Staffordshire Bank, . . . . . 5,624	Sittingbourne and Milton Bank, . . . . . 4,789
Leeds Bank, . . . . . 53,357	Southampton Town & Co. Bk. . . . . 18,589
Leeds Union Bank, . . . . . 37,459	Southwell Bank, . . . . . 14,744
Leicester Bank, . . . . . 32,322	St. Albans Bank, . . . . . 3,743
Lewes Old Bank, . . . . . 44,836	Southampton & Hampshire Bk. . . . . 6,770
Lichfield Bank, . . . . . 22,786	Stone Bank, . . . . . 9,154
Lincoln Bank, . . . . . 100,342	Stourbridge Bank, . . . . . 17,295
Llandovery Bk. & Llandilo Bk. . . . . 32,945	Stafford Old Bank, . . . . . 14,166
Loughborough Bank, . . . . . 7,359	Stamford and Rutland Bank, . . . . . 31,858
Lymington Bank, . . . . . 5,033	Stourbridge Old Bank, . . . . . 17,560
Lynn Regis & Lincolnshire Bk. . . . . 42,817	Shrewsbury and Welsh Pool Bk. . . . . 25,336
Lynn Regis and Norfolk Bank, . . . . . 13,917	Taunton Bank, . . . . . 29,799
Macclesfield Bank, . . . . . 15,760	Tavistock Bank, . . . . . 13,421
Manningtree Bank, . . . . . 7,692	Thornbury Bank, . . . . . 10,026
Marlborough Bank, . . . . . 19,073	Tiverton and Devonshire Bk. . . . . 13,470
Marlboro & N. Wiltsh. New Bk. . . . . 12,490	Thrapstone and Kettering Bank, . . . . . 11,559
Merionethshire Bank, . . . . . 10,906	Tring Bank and Chesham Bank, . . . . . 13,531
Miners' Bank, . . . . . 18,638	Towcester Old Bank, . . . . . 10,801
Monmouthsh. Agri. & Com. Bk. . . . . 29,335	Union Bank, Cornwall, . . . . . 17,003
Monmouth Old Bank, . . . . . 16,385	Uxbridge Old Bank, . . . . . 25,136
Monmouthsh. Newport Old Bk. . . . . 8,600	Wallingford Bank, . . . . . 17,064
Newark Bank, . . . . . 28,788	Warwick & Warwickshire Bk. . . . . 30,504
Newark and Sleaford Bank, . . . . . 51,615	Wellington Bank, Somerset, . . . . . 6,528
Newbury Bank, . . . . . 36,787	West Riding Bank, . . . . . 46,158
Newmarket Bank, . . . . . 23,098	Whitby Old Bank, . . . . . 14,258
Norfolk and Suffolk Bank, . . . . . 4,551	Winchester, Alresford & Alt. Bk. . . . . 25,892
Norwich Crown Bank, . . . . . 45,120	Winchester and Hampshire Bk. . . . . 6,737
Norwich and Norfolk Bank, . . . . . 75,372	Weymouth Old Bank, . . . . . 16,461
Nottingham & Nott'ghamsh. Bk. . . . . 10,866	Wirkesworth and Derbysh. Bk. . . . . 37,602
Nuneaton Bank, . . . . . 5,898	Wisbech and Lincolnshire Bk. . . . . 59,713
Naval Bank, Plymouth, . . . . . 27,321	Wiveliscombe Bank, . . . . . 7,602
New Sarum Bank, . . . . . 15,659	Wolverhampton Bk.—G. & Co. . . . . 14,180
Nottingham Bank, . . . . . 31,047	Worcester Bank, . . . . . 15,463
Oswestry Bank, . . . . . 18,471	Worcester Old Bank, . . . . . 87,448
Oxford Bank, . . . . . 14,277	Worcestershire Bank, . . . . . 14,309
Oxford Old Bank, . . . . . 34,391	Walsall Old Bank, . . . . . 19,937
Old Bank Tonbridge, . . . . . 13,183	Warminster and Wiltshire Bk. . . . . 24,896
Oxfordshire Witney Bank, . . . . . 11,852	Wrexham Bank, . . . . . 3,289
Pease's Old Bank, Hull, . . . . . 48,807	Wolverhampton Bk.—R. & W. . . . .
Penzance Bank, . . . . . 11,405	Fryer, . . . . . 11,867
Peterborough Bk.—Yorke & Co. . . . . 12,545	Yarmouth and Suffolk Bank, . . . . . 53,060
Peterborough Bk.—Simpson & Co. . . . . 12,832	Yarmouth, Norf'k & Suff'k Bk. . . . . 13,229
Pembrokeshire Bank, . . . . . 12,910	Yeovil Old Bank, . . . . . 10,033
Reading Bk.—Simmonds & Co. . . . . 37,519	York Bank, . . . . . 46,337

## JOINT STOCK BANKS.

Bank of Westmoreland, . . .	£12,225	Ludlow and Tenbury Bank, . . .	£10,215
Barnsley Banking Company, . .	9,563	Moore & Robinson's Notts. Bk. .	35,813
Bradford Banking Company, . .	49,292	Nottingham & Notts. Bkg. Co. .	29,477
Bilston District Banking Co. . .	9,418	Newcastle, Shields & Sunderland	
Bank of Whitehaven, . . . . .	32,631	Union Joint Stock Bank, . . .	84,130
Bradford Commercial Bkg. Co. .	20,084	National Provincial Bk. of Eng. .	442,371
Burton, Uttoxeter and Stafford-		North Wilts Banking Company, .	63,939
shire Union Bank, . . . . .	60,701	Northamptonshire Union Bank, .	84,356
Chesterfield & N. Derby. Bk. Co.	10,421	Nothamptonshire Banking Co. .	26,401
Cumberland Union Banking Co. .	35,395	North and South Wales Bank, . .	63,951
Cheltenham & Glo'stersh. Bk. Co.	12,786	Pare's Leicestershire Bkg. Co. .	59,300
Coventry & Warwicksh. Bk. Co. .	23,734	Saddleworth Banking Co. . . .	8,122
Coventry Union Banking Co. . .	16,251	Sheffield Banking Company, . .	35,943
County of Gloucester Bkg. Co. .	144,352	Stamford, Spalding & B. Bk. Co. .	55,721
Carlisle & Cumberland Bkg. Co. .	25,610	Stuckey's Banking Company, . .	356,976
Carlisle City and District Bank, .	19,972	Shropshire Banking Company, . .	47,951
Dudley & W. Bromw. Bkg. Co. .	37,696	Stourbridge & Kidderminst. Bk. .	56,830
Derby and Derbyshire Bkg. Co. .	20,093	Sheffield and Hallamshire Bank, .	23,524
Darlington Dist. Joint St. Bk. Co.	26,134	Sheffield & Rotherham Jt. St. Bk. .	52,496
East of England Bank, . . . . .	25,025	Swaledale & Wensleydale Bk. .	54,372
Gloucestershire Banking Co. . .	155,920	Storey's and Thomas's Bank, . .	9,714
Halifax Joint Stock Bank, . . .	18,534	Sheffield and Retford Bank, . . .	18,744
Huddersfield Banking Co. . . .	37,354	Wolverhampton & Staffords. Bk. .	35,378
Hull Banking Company, . . . . .	29,333	Wakefield & Barnsley Union Bk. .	14,604
Halifax Commercial Bkg. Co. . .	13,733	Whitehaven Joint Stock Bank, . .	31,916
Halifax & Huddersf'd Union Bk. .	44,137	Warwick & Leaming. Bkg. Co. .	37,124
Helston Banking Company, . . .	1,503	West of Eng. and South Wales	
Herefordshire Banking Co. . . .	25,047	District Bank, . . . . .	93,535
Knaresborough & Claro Bkg. Co. .	23,059	Wilts and Dorset Banking Co. . .	76,162
Kingsbridge Joint Stock Bank, . .	3,952	West Riding Union Banking Co. .	34,029
Lancaster Banking Company, . . .	64,311	Whitchurch & Ellesm. Bkg. Co. .	7,475
Leeds Banking Company, . . . . .	23,076	Worcester City & Co. Bkg. Co. .	6,843
Leicestershire Banking Co. . . .	86,060	York Union Banking Company, . .	71,240
Lincoln and Lindsay Bkg. Co. . .	51,620	York City & Co. Banking Co. . .	94,695
Leamington Priors & Warw. Bk. .	13,975	Yorkshire Banking Company, . .	122,532

## SCOTCH BANKS.

Bank of Scotland, . . . . .	£300,495	Dundee Banking Company, . . .	£33,451
Royal Bank of Scotland, . . . .	183,000	Eastern Bank of Scotland, . . .	33,636
British Linen Company . . . . .	433,024	Western Bank of Scotland, . . .	337,938
Commercial Bank of Scotland, . .	374,860	Clydeade Banking Company, . . .	104,028
National Bank of Scotland, . . .	297,024	City of Glasgow Bank, . . . . .	72,921
Union Bank of Scotland, . . . . .	327,223	Caledonian Banking Company, . .	53,434
Edinburgh and Glasgow Bank, . .	136,657	Perth Banking Company, . . . .	38,666
Banking Com. in Aberdeen, . . .	88,467	Central Bank of Scotland, . . .	42,933
Aberdeen Town and Co. Bank, . .	70,133		
North of Scotland Banking Co. .	154,319	TOTALS, 18 Scotch Banks, . . .	£3,087,209

## IRISH BANKS.

Bank of Ireland, . . . . .	£3,738,423	National Bank, . . . . .	£761,757
Provincial Bank, . . . . .	927,667	Carrick-on-Suir National Bank, . .	24,094
Belfast Bank, . . . . .	281,611	Clonmel National Bank, . . . . .	66,423
Northern Bank, . . . . .	243,440		
Ulster Bank, . . . . .	311,079	TOTALS, 8 Irish Banks, . . . .	£6,354,494

## HISTORY OF BILLS OF MORTALITY.

From the Encyclopedia Britannica.

The first table of mortality was constructed by Dr. Halley, from the Mortuary Registers of Breslau, for five years ending with 1691; and was inserted in his paper on the subject in the Philosophical Transactions for the year 1693, with many judicious observations on the useful purposes to which such tables may be applied.

No further information of this kind was communicated to the public, until William Kersseboom of the Hague, published there three tracts on the subject (4to.) The first, dated March 1, 1738, was entitled, *Eerste Verhandeling toteen Proeve om te weeten de probable menigte des volks in de provincie van Hollandt en Westvrieslandt*. The second, dated May 15, 1742, *Tweede Verhandeling bevestigende de Proeve om te weeten de probable menigte des volks in de provincie van Hollandt en Westvrieslandt*; and the third, dated August 31, 1742, *Derde Verhandeling over de probable meenigte des volks in de provincie van Hollandt en Westvrieslandt*.

A good account of the first of these tracts has been given by Mr. Eames, in the Philosophical Transactions for 1738; and rather a meagre one of the other two, by Mr. Van Rixtel, in the same Transactions for 1743.

It is therefore unnecessary to repeat here, any thing contained in those accounts; but as they give no satisfactory information concerning the construction of Mr. Kersseboom's Table of Mortality (which he called a Table of Vitality,) it will be proper to supply so material a defect in this place.

In his first tract, the author informs us that he constructed his table from registers of many thousand life-annuitants, in Holland and West Friesland, which had been kept there from 125 to 130 years previous to the date of his publication; and showed how many of the nominees, or lives the annuities depended upon, were, at the time of their nomination, under one year old, between one and two, between two and three, and so on for all ages.

An exact account was also kept of the age at which each life of every class failed; whence it clearly appeared, what degree of mortality prevailed at every age above one year. But because very few children were nominated at or near their birth, he could not, from these registers, determine the mortality under one year of age.

He therefore had recourse to mortuary registers and other observations; from exact accounts of which he found with sufficient certainty as he says, that out of 28,000 born alive, 5,500 died under one year. He also informs us, that, for this purpose, he made use of the observations of divers learned men in England and elsewhere, especially Major John Graunt's upon the number of the people and the rate of mortality; and upon taking an average of the whole, he found it to differ but little from that just stated.

And this appears to be the only ground for the assertion made by

most writers on this subject (probably copying from each other without having seen the original work,) that Kersseboom's Table of Mortality was constructed from observations made upon annuitants in England as well as in Holland; also, that it was formed partly from observations made upon the inhabitants of some Dutch villages.

He first published his Table of Mortality in his second tract, and in his third, he gave abstracts of the registers from which it was constructed. These were contained in twenty-nine tables, twenty-two of which were for the two sexes separately; in the rest the sexes were not distinguished; and the ages at which the lives failed were generally given to the exactness of half a year.

The number of lives, whose current year of age at the time of their nomination was given precisely in these tables, were,

Males separately, . . . . .	1843
Females separately, . . . . .	1769
Males and Females, without distinction of sex, .	1536
Total, . . . . .	5148

and none of these nominees were above twelve years of age at the time of their nomination.

These, however, are only specimens of M. Kersseboom's labours. He says there were so many lives in the registers, that he had not the courage to undertake extracting the necessary particulars for more than 50,000 of them; and in that, he was greatly assisted by his friend Thomas Von Schaak. Of all the lives, not more than one of 120 was past 55 years of age at the time of nomination.

Nicholas Struyck, in his "Aanhangsel op de Gissengen over den staat van het Menschelyk Geslagt, en de Uitreekening der Lyfrenten," published at Amsterdam in 1740, at the end of the quarto volume, commencing with his "Inleiding tot de Algemeene Geographie," gave, from registers kept at Amsterdam for about thirty-five years, two tables of observations made upon the duration of the lives of 794 males, and 876 female annuitants separately; and two tables of mortality he had constructed from them for the two sexes; both beginning with five years of age. These two, taken together, differ but little from that of Dr. Halley; they represent the mortality to be considerably greater than Kersseboom's. Having been constructed from so few observations they are not entitled to much confidence, and appear to have been very little known or attended to.

This work of Struyck gave occasion to the publication, in the same year, of a small tract in quarto, by Kersseboom, entitled, "Eenige Anmerkingen op de Gissengen over den staat van het Menschelyk Geslagt," &c., wherein he accused Struyck of plagiarism, with but too much appearance of justice.

Neither Kersseboom nor Struyck gave any information as to the manner in which they formed their tables of mortality from the observations on which they were grounded. M. Kersseboom informs us, that he submitted his table to Professor S'Gravesande, some years previous to its publication, and obtained his approbation of it for calculating the values of annuities on lives.

In the year 1742, Mr. Thomas Simpson, in his *Doctrine of Annuities*, (see the article *Annuities*) gave a table of mortality for London, being the same that had previously been constructed by Mr. Smart, at twenty-five and all the greater ages, but corrected at all ages under twenty-five years, on account of the greater number of strangers who settle in London under that age, which occasioned, till the commencement of the present century, a constant excess of the burials above the births.

This correction Mr. Simpson made by comparing together the numbers of christenings and burials; and observing, by means of Dr. Halley's table, the proportion between the mortality in London and Breslaw above twenty-five years of age.

In 1746, M. Deparcieux published (at Paris, in 4to.) his *Essai sur les Probabilités de la duree de la Vie Humaine*, in which he gave six new and valuable tables of mortality; one of them constructed from the lists of the nominees in the French Tontines, principally those of the years 1689 and 1696, and the rest from the mortuary registers of different religious houses; four of these showing the mortality that prevailed amongst the monks of different orders, and the fifth, that which obtained amongst the nuns in different convents of Paris. Those for the monks and nuns, with the exception of the tables of Struyck, mentioned above, were the first ever constructed for the two sexes separately.

The Essay of M. Deparcieux is written popularly, and with great perspicuity; he has given the most satisfactory accounts both of the data his tables were constructed from, and the manner of their construction.

In his thirteenth table, he included with the five tables of mortality of his own construction, that of Mr. Smart for London, as corrected by Mr. Simpson, Dr. Halley's, and M. Kersseboom's, together with the expectation of life at, or its average duration after each age, both according to his own and M. Kersseboom's table for annuitants, and for every fifth year of age according to each of the other tables; the fractional parts of a year being always expressed in months, and not in decimals.

Dr. Halley first, and Struyck after him, had given the probable duration of life after several ages, according to their respective tables, that is, the term at the expiration of which, the persons now living at any proposed age, will be reduced by death to one-half their present number.

But Deparcieux appears to have first given the average duration of life after any age, and showed how to calculate it correctly from tables of mortality. On account of the scarcity and value of M. Deparcieux's Tables of Mortality, Mr. Milne has reprinted them, with the expectations of life just mentioned, in his *Treatise on Annuities*, with a short account of their construction; it is therefore unnecessary to pursue the subject further here.

In 1760, M. Deparcieux published (at Paris, in 4to.) his addition à l'*Essai sur les Probabilités de la duree de la Vie Humaine*, with five tables; three of them relating to life annuities deferred on a peculiar plan, we consider to be of no interest or value at this time: the two others are tables of mortality constructed from statements of the numbers of deaths that took place at different ages, without knowing the numbers



of the living at the same periods of life. He obtained the data for the first of them from a clergyman on the frontiers of Normandy and Perche, whose accuracy in all he undertook, he could rely upon; and who gave him the names of the parishes from the registers of which he had extracted the information: but strictly enjoined him not to disclose his name in the event of his making use of the documents.

In these the sexes were not distinguished. The other table of mortality M. Deparcieux constructed from statements sent to him by M. Wargentin of the numbers of deaths of males and females separately, which took place in the different intervals of age in Sweden and Finland, during the three years, 1754, 1755 and 1756. Those two tables have the same faults as others constructed from similarly defective data; and we consider them to be of no value.

M. Deparcieux states, (p 28,) that in 1744, he suggested to M. Aubert, the commissary who at that time prepared the Bills of Mortality for Paris, the expediency of distinguishing the sexes in the columns of births and deaths, which had not been done previously, but was in consequence of this commenced with the year 1745, and has been continued ever since, as we have already observed in our account of the Parisian *Récherches Statistiques*.

M. de Buffon, at the end of the second volume of his *Histoire Naturelle*, published in 1749, inserted a table of mortality that had been constructed by M. Dupre de Saint Maur, from the registers of twelve country parishes in France, and three parishes of Paris; which M. de Buffon informs his readers that he inserted in his work the more willingly, since these were the only kind of documents, or combinations of them, from which the probabilities of life among mankind in general, could be determined with any certainty. Yet this was a very faulty table, and the numbers of annual deaths were so injudiciously distributed, according to the ages, that it often represented the mortality in one year of age to be three or four times as great, and in some cases, six times as great, as in the next year. Some remarks of M. Kersseboom on this table may be seen in the *Philosophical Transactions* for 1753. M. de Saint Cyran, corrected some of its most obvious errors, and inserted both the original and his corrected copy in his *Calcul des Rentes Viageres*. (Paris, 1779, in 4to.)

Mr. Simpson, in the Supplement to his *Doctrine of Annuities*, published in 1752, gave some further explanations of the corrections he had made in Mr. Smart's table of mortality for London; and made some very judicious observations on the difficulties that attend the construction of tables of mortality from the mortuary registers only, of large towns.

In the *Nouveaux Mém. de l'Acad. Roy. de Berlin* for the year 1760, there is a paper by the celebrated Euler, entitled *Recherches générales sur la Mortalité, et la multiplication du Genre Humain*, wherein the subject is treated algebraically. He assumes that the population is not affected by migration, and that the annual births and deaths are always as the contemporaneous population; consequently, that the number of the people increases or decreases, in geometrical progression. Then he gives several theorems exhibiting the relations that would obtain between the annual births and deaths and the population, and determines the law of mortality upon these hypotheses, but does not show how it may be

deduced from actual observations independent of hypotheses; neither does he undertake the construction of any table of mortality, but by way of example, gives that of M. Keraseboom, with the changes of the numbers which become necessary, in consequence of his altering the radix from 1,400 annual births to 1,000.

Sussmilch took great pains in collecting the numbers of annual deaths in the different intervals of age, which he published in his *Göttliche Ordnung*; and four tables of mortality formed from these data are to be found in the same work; that in the second volume (461,) which has many imperfections, was formed by himself; the three others, being the 21st, 22d, and 23d, at the end of the third volume, were constructed by his commentator Baumann, according to the more correct method of Lambert.

The first edition of Dr. Price's *Observations on Reversionary Payments*, appeared in 1771, containing his observations on the proper method of constructing tables of mortality from bills which shew the numbers dying annually at all ages, and three new tables of mortality constructed from the London, Norwich, and Northampton bills.

The second edition of the same work was published in 1772, and contained, in the supplement, much interesting and valuable information which did not appear in the first, together with five new tables, intended to exhibit the law of mortality that obtained, 1st, in the district of Vaud, in Switzerland; 2d, in a country parish in Bradenburg; 3d, in the parish of Holy Cross, near Shrewsbury; 4th, at Vienne; 5th, at Berlin. The first formed from bills of mortality given in the *Memoire* of M. Muret; and the 2d, 4th, and 5th, from those given by Sussmilch in his *Göttliche Ordnung*; the 3d, was from the parish register only of Holy Cross. But we consider none of those tables as now of any value, on account of the defects in the data from which they were constructed.

At the end of the first volume of the work of J. H. Lambert, (8vo.) published at Berlin in 1765, he gave a chapter on the certainty of inferences deduced from observations and experiments; and the example with which he concluded the illustration of his theory, was the deduction of the law of mortality in London from the bills of mortality there; by means of a curve, of which the absciss being proportional to the age, the corresponding ordinate was proportional to the number of survivors of the same age.

M. Lambert also constructed a table by which he intended to exhibit the law of mortality that prevails among mankind in general, from the 23d and 24th tables in the second volume of Sussmilch's *Göttliche Ordnung*, which gave the numbers of deaths, in the different intervals of age, in seventeen country parishes in the mark of Bradenburgh, and from the London bills for thirty years; supposing, with Sussmilch, (*Gött. Ord. t. i. §34*.) that the country people are double the number of those residing in towns.

By an extract of a letter from M. Lambert, to Gaeta and Fontana, given in their Italian translation of *Demoivre's Treatise on Life Annuities*, (*Discorso Preliminare*, part iii.) it appears, that all his attempts to find a posteriori an equation which should determine the relation between the age and the number of survivors in this last table, proved fruitless; the formulæ he arrived at having been either too long and intricate, or too

incorrect. This is the less to be regretted, since there is no doubt that M. Lambert's table did not represent the true law of mortality, as he made no allowance for the effect of the increase of the people by procreation; and it is singular he did not see that that law might be correctly determined from the numbers of the living, and the annual deaths at all ages in Sweden and Finland, given in M. Wargentin's paper in the *Stockholm Transactions* for 1766, which paper he himself quotes.

Lambert appears to have first demonstrated clearly the principal properties of tables of mortality, in doing which he made use of the differential and integral calculus; but as he could not determine the equation to the curve of mortality, that resource did not avail him much.

Flourencourt treated this subject algebraically in the third chapter of his *Political Arithmetic*, where he gave a perspicuous view of it, as it had been previously treated by Euler and Lambert; but added nothing himself that was original, except three new tables of mortality; one for males, another for females, and a third for both sexes without distinction; deriving his data in each case from the *Göttliche Ordnung* of Sussmilch.

He also gave a new copy of the table of mortality M. Deparcieux had constructed from the registers of the nominees in the French tontines; assuming 10,000 for the radix, and inserting the numbers under three years of age, nearly according to M. Kersseboom's table; this, however, does not differ materially from the original table of Deparcieux.

The fourth edition of Dr. Price's *Observations on Reversionary Payments* was published in the year 1783, and contained new tables of mortality for Warrington and Chester, also for all Sweden and Finland, and for Stockholm separately, in which the sexes were distinguished. Those for the whole kingdom were constructed from enumerations of the living, and registers of the annual deaths, in each interval of age, during twenty-one years; those for Stockholm during nine years.

The tables for Sweden and Stockholm, were the first ever constructed from the data that are requisite to determine the law of mortality among the bulk of the people, and were sufficiently accurate representations of that law, for the times and places in which the observations were made.

In a paper of M. Henrich Nicander, inserted in the *Transactions* of the Royal Academy of Sciences at Stockholm, for the first quarter of the year 1801, he gave two tables of mortality for all Sweden and Finland, in which the sexes were distinguished, but they were not properly constructed; and the mean duration of life which he gave in them at each age, was very erroneous, especially in early life. In that paper he asserted, without offering any demonstration or proof, that, in what we have called the curve of mortality above, if an ordinate be drawn through the centre of gravity of the portion of the area cut off by the ordinate at any assigned age, on the side of the more advanced ages, the part of the base, or of the axe of the abscisses, intercepted between these two ordinates, will measure the mean duration of life after such assigned age. And the mean duration of life after each age, which he has given, was determined in this manner.

Mr. Milne's *Treatise on Annuities and Assurances* was published in the year 1815; and, in the third chapter of that work, the construction and properties of tables of mortality are fully treated of.

In the second volume of the same work, three new tables of mortality are given; one constructed from very accurate observations made at Carlisle, by Dr. Heysham, who preserved the bills of mortality of the two parishes, which include that city and its environs, and supplied their deficiencies with great care, together with correct accounts of two enumerations of the inhabitants, in which their ages were taken; and a table showing the diseases by which the deaths at all ages were occasioned, is also given.

The fourth and fifth tables in Mr. Milne's work, exhibit the law of mortality which prevailed in all Sweden and Finland, both with and without distinction of the sexes, deduced from the registers kept and the enumerations made there, during twenty years ending with 1795; which term was subsequent to that wherein the observations were made, from which Dr. Price's tables were constructed.

The seventh table in the same work exhibits the law of mortality at Montpellier for males and females separately, and was constructed from the bills of mortality of that place for twenty-one years, ending with 1792.

The second table at the end of this article, was published in the first edition of it in 1822; the tables of mortality for the lives insured in the Equitable Office, which were constructed by Mr. Babbage and Mr. Davies, were published in 1826; and we have given some account of them as well as of those formed by Mr. Finlaison, from observations on Government Annuities in this country, and published in 1829, in the article *Annuities* in this work.

M. M. Quetelet and Edouard Smits, in their "*Recherches sur la reproduction et la mortalité de l'Homme*," in 1832, gave a table of mortality for the towns and the rural districts in Belgium separately, distinguishing males from females, and also for the whole population, without distinguishing the sexes, or the inhabitants of towns from those of the country.

Mr. Morgan, in the above mentioned publication of the Equitable Assurance Society, in 1835, gave a table of mortality for the lives insured in it, (marked C, p. 28,) derived from table A, of that work; another (D) derived from table B, is not worth a place there.

The second of the tables at the end of Dr. Casper's work on the *Probabilities of Human Life*, published in 1835, was intended to exhibit the law of mortality in Berlin, with distinction of the sexes; it was constructed from 69,362 deaths at different ages; 36,895 of males, 32,467 of females, which took place there during the twelve years, 1818—1829. And M. Mallet at the end of his valuable *Memoire*, published in 1836, has given one for Geneva, in which the sexes are distinguished: it contains both the mean and the probable duration of life after every age, and was formed from the bills of mortality there for the eighteen years, 1814—1833. For males, females, and the two sexes without distinction, M. Mallet took so high a radix as 100,000 births; the number of deaths were, of males 5,219, females 5,688, of both sexes 10,907; and in the column of deaths, on the same line for any age, as the survivors of that age, the author has put the number of deaths in the registers in the next following year, instead of the decrement of life, or excess of the number attaining that above the number attaining the next greater age, which will probably puzzle many readers.

## THE GENERAL POST OFFICE.

Table showing the length of Mail Routes, Total Annual Transportation and its Cost in each State, for the year ending 30 June, 1848.

	Length of Routes. <i>Miles.</i>	Total annual transportation. <i>Miles.</i>	Total annual cost. <i>Dollars.</i>
Maine, . . . . .	4,183	1,211,635	42,565
New Hampshire, . . . . .	2,188	736,352	26,242
Vermont, . . . . .	2,423	757,246	26,228
Massachusetts, . . . . .	3,963	1,939,630	109,071
Rhode Island, . . . . .	414	166,400	9,193
Connecticut, . . . . .	1,762	770,593	46,485
New York, . . . . .	13,331	5,072,517	233,143
New Jersey, . . . . .	2,029	766,032	59,435
Pennsylvania, . . . . .	10,369	2,854,150	155,773
Delaware, . . . . .	555	151,008	7,887
Maryland, . . . . .	2,379	941,923	134,014
Virginia, . . . . .	11,370	2,470,884	165,472
North Carolina, . . . . .	7,632	1,623,544	152,166
South Carolina, . . . . .	4,704	1,063,500	105,491
Georgia, . . . . .	6,421	1,493,294	136,918
Florida, . . . . .	1,784	297,644	24,937
Ohio, . . . . .	11,825	3,085,856	169,877
Michigan, . . . . .	4,188	992,524	41,509
Indiana, . . . . .	7,224	1,345,704	58,664
Illinois, . . . . .	8,925	2,153,430	105,627
Wisconsin, . . . . .	3,626	511,096	19,786
Iowa, . . . . .	2,178	338,936	12,511
Missouri, . . . . .	9,035	1,683,604	55,221
Kentucky, . . . . .	8,332	2,752,940	92,152
Tennessee, . . . . .	7,074	1,384,912	61,537
Alabama, . . . . .	6,861	1,619,022	143,079
Mississippi, . . . . .	4,707	949,624	67,223
Arkansas, . . . . .	5,334	736,636	44,529
Louisiana, . . . . .	3,623	543,232	45,115
Texas, . . . . .	4,779	548,756	43,838
	163,208	41,012,579	\$2,394,703
Mail Agencies, . . . . .			54,063
Foreign Mails, . . . . .			100,500
			\$2,549,266

*Extracts from the Report of S. R. Hobbie, Assistant Postmaster General, Wednesday, December 19, 1848.*

## HISTORICAL.

The Post Office had no existence, as an institution for general use, till towards the close of the 15th century. The establishment of posts we can trace as far back as the Persian Empire, and the range of Darius the I. The correspondence between Julius Cæsar and Cicero makes memorable those established by the great Triumvir between Britain and Rome. His skill in such arrangements, acquired possibly whilst Surveyor of the Appian Way, gave them a speed unsurpassed in modern

times, till the introduction of steam. Augustus and his successors maintained them on a larger scale. But their character is indicated by the fact, that the head of this mail establishment, was the Captain of the Praetorial Guard. They were courier despatches between the Government and the Army.—Military *posts* furnished the relays that performed the service: and whether they did not also confer their name upon it, is a matter that the lexicographers, who derive it from the past participle of a latin verb, may have yet to settle with the historians. Posts of a like character the Spanish adventurers found under the Incas of Peru. The University of Paris, and the affluent merchants of Italy and Germany, following the example of their Governments, sent their own messengers for the conveyance of letters. But with the dawn of liberty in the Italian States, and especially in the Duchy of Milan, the Post Office first entered upon the duty of serving the citizen as well as the Government. And the comprehensive genius of Charles the Vth. systematized it for his vast dominions on the basis of public and social accommodation. He created the first Postmaster General known to history in the person of Leonard, Count of Taxis.

The Post Office was introduced into England from Italy,—but under ecclesiastical auspices. The Pope's Nuncio was the chief functionary. It was but little used in this form; and was, at length, flung aside as one of the Papal encroachments. The office of Postmaster General in England enjoys the honor of being created by Elizabeth, who conferred it upon Thomas Randolph, a gentleman of distinction in the foreign service of the Queen, where he had acquired, as we may presume, a knowledge of the mail establishments of the continent.

It is a notable circumstance, that in the 17th century the Post Office establishment was given away in Germany as a feudatory monopoly to the family of Taxis: in France it was set up at auction and farmed out for a term of years, and so continued till near the close of the 18th century, 1791. And the same disposition was made of it during the Commonwealth in England. In the reign of Queen Anne, the Post Office Department for the British Empire, was re-organized under a statute of Parliament, that embraced the American Colonies, and provided for the establishment of one chief letter office in New York, with others in convenient places in the other provinces.

But it was long anterior to this, as early as the reign of Charles the II. that the popular movements brought the Post Office into existence in America as a convenience of the people,—a character in which it had never originated in any nation or country before. A Post Office was established in Boston, under John Heyward, by the Colonial Court, in 1677; and in Philadelphia, under Henry Waldy, by order of William Penn, in 1683. The Virginia Assembly gave Mr. Neal a patent as Postmaster General in 1692, which never went into effect. But in 1700 Col. John Hamilton, of New Jersey, obtained a patent from the Colonial Government for a Post Office scheme for the whole country, which he carried into successful operation, and for which he obtained indemnity from the English Government, when it was superseded by the statute of Anne in 1710. The illustrious name of Franklin first appears in connexion with the service of the American Post Office in 1737. He was

then appointed Postmaster of Philadelphia, and was commissioned as one of the two Deputy Postmasters General of British North America in 1753. The length of the post roads in the thirteen colonies was then 1,532 miles, North Carolina having the most, New Hampshire the least, and New York 57 miles. After improving and enlarging the service and returning to the British Crown, as he says, three times as much clear revenue as the Post Offices of Ireland, he was dismissed as Deputy Postmaster General "by a freak of Ministers" in 1774. But in the next year, July 26, 1775, he was elected Postmaster General of the United Colonies by the unanimous vote of the Continental Congress.

An advance of fifteen years brings us to 1790, the official documents of which exhibit through some meagre details the extent of the Post Office operations of the first year of the present Government of the United States. The whole mail service was comprised in twelve contracts and consisted of a line of posts from Wiscasset to Savannah, with branches to Providence and Newport; to Norwich and New London; to Middletown; to Pittsburgh; to Dover and Easton; to Annapolis; and to Norfolk and Richmond—upon no portion of which was the mail sent oftener than tri-weekly; and on much of it but once in two weeks. Between Philadelphia and Pittsburgh "a complete tour" was performed once in twenty days. The annual cost of the whole service was \$22,702 07. The number of Post Offices was seventy-five, and the length of post routes 1,875 miles.

If with this service of the first year, we compare that of the 58th year of the Government, we shall find the growth of this institution in the United States, the length of its routes and the frequency of its mails unequalled in rapidity and extent by any other nation since the beginning of time.

#### CONCLUSION.

We have 16,159 Post Offices, whilst those of France in 1847, were 3,582, and of Great Britain, including 3,009 Receiving Houses, 4,785. We have 162,208 miles of post roads and 41,012,579 miles of annual transportation of the mail, inland. What the extent of the transportation is in France or Great Britain there are no statistics at hand to show,—much less than ours, undoubtedly. But the circulation in the French mails was about 115 millions of letters in 1847, and in the British about 300 millions; whilst ours was less than 60 millions; whereas our population is but about 43 per cent. less than that of France and 26 less than that of Great Britain. This shows that we make a greater provision of mails per capita, but that they are less used by the public in proportion to population than in England or France. The greater equality of our service in favor of the dispersed and remote population, and the greater absorption in the French and English mails of the city, and town letters going from street to street, with little comparative loss of accommodation on our part, are more than sufficient to account for the small difference in favor of France, whose Paris letters alone number — millions annually.—Not so with Great Britain. For the difference in her favor we must look to other causes,—and we find them in the higher rates of our postage and the defective ma-



chinery of our system—both of which interpose checks to a universal resort to the mails. A change in the mode of business at the offices that will give more regularity to the mails, more certainty to the accounts and more exactness to all the details of the service, and the liberalizing of the system by reducing the charge of transport, will produce inevitably a larger use of the Post Office by the people, and result in a vast improvement to all the business and social interests of the country.

I remain with the highest respect, your ob't serv't,

S. R. HOBBS,  
*First As't P. M. Gen'l.*

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## CURRENCY AND COIN IN GREAT BRITAIN.

The following extracts are from the evidence taken before the Secret Committee of the House of Commons, March, 1848, appointed to inquire into the causes of the Commercial Distress of 1847.

These extracts will give the views of the present Governor of the Bank, and of Mr. Tooke and Mr. Pease.

### *Evidence of J. Morris, Esq., Governor of the Bank.*

#### Amount of Gold and Silver in Circulation.

*Chairman.*—Can you give the Committee any information with respect to the amount of gold and silver in circulation?—(*Mr. Morris.*) A calculation has been made by our chief cashier; he seems to make the gold in circulation on the 1st of January, 1848, £44,835,000; but that is an exceedingly rough calculation; it has been supposed to range between £40,000,000 and £60,000,000.

Does that include the gold in the Bank reserve?—The £44,835,000 is supposed to include the amount of gold coin in the Bank.

What is the amount of silver?—The amount of silver is supposed to be about £11,000,000; but that includes the amount of coin in the colonies.

Your chief cashier has paid a good deal of attention to the subject, has he not?—I am not aware that he has paid more attention to it than other parties; but he has based his opinion upon a calculation.

Have you the particulars of the calculation?—Yes; from the calculations made upon the calling in of the light gold coin in 1842 and 1843, it was supposed that the amount of sovereigns in circulation was about £26,000,000; the sovereigns put into circulation from January, 1844, to January, 1848, were £17,702,000, making together £53,702,000, from which deduct sovereigns sent to America, £4,000,000, and light sovereigns abstracted, £4,867,000 making together £8,867,000; it will leave in circulation on the 1st of January, £44,835,000; this calculation does not include the £6,000,000 of coin which we had at the Bank and at the various branches. I have another calculation, made by a party

who is equally capable of making it. In June, 1842, gold with the public, £31,500,000, with the Bank, £4,500,000, making together, £36,000,000. From July, 1842, to December, 1847, £28,502,254; melted at the Mint of light gold, £15,857,113, which, deducted from the £28,582,254, leaves £12,645,141; exported in 1846 and 1847, £4,000,000, that leaves £8,645,141, and added to the £36,000,000, makes £44,645,141, supposed to be the amount of gold coin in the country.

That is very near the other calculation?—Yes, except that the one includes the amount of gold coin in the Bank, and the other is exclusive of it, so that there is a considerable discrepancy between the two, which shows the difficulty there is in arriving at an accurate result; but the general calculation is between £40,000,000 and £60,000,000, which is a very large range.

*Evidence of J. Pease, Esq.*

Inconvenience of gold currency illustrated. Small notes desirable.

At this moment, supposing there were to be again a general contraction of accommodation, and there were to be a drain of £8,000,000 or £10,000,000 of our bullion, or more, in what state would the productive and trading classes of this country be?—I am satisfied what course I should take; desiring to keep up the appreciation of paper as much as I possibly could, under circumstances very discouraging, I should issue one or two millions of £1 notes, and thereby get the sovereigns in; I should by that means take the sting out of the Act, though for my own part I prefer 50s. notes, and I should be very glad to see 50s. notes. The present gold circulation of the country is a very harassing and inconvenient circulation indeed; the circulation of bullion is carried to an extent that is extremely harassing to men of business; we want a cheaper medium of circulation; the wages that I am called upon to pay will not be less than £10,000, or £12,000, or £15,000 a month; a great portion of that I have to raise in specie: I am forced to seek that gold round about, of the bankers in the district; I frequently pay an agio for obtaining it; and if I send the gold to London, my friends do not like to take it; they say that whatever they weigh it at, the Bank of England always weigh it at less, and they can never get the value of it at the Bank, and they will not even return the gold to them; and therefore, the circulation of gold to the present extent is a most inconvenient and vexatious one to men of business who have large amounts to pay; I believe that the substitution of a lower denomination of paper-money by the Bank of England would keep much more gold in this country, without depreciating paper at all, and I think the Bank would have a larger reserve to meet any difficulties.

Would you have £2, £3, and £4 notes?—I have no prejudice against £1 notes; but 50s. notes, especially if there were a power of paying a larger amount in silver, would be a wonderful relief to the working classes and to the currency.

Would a 50s. note pay an individual workman's wages?—Yes: we

pay by the fortnight, and in a very large number of cases, a 50s. note would pay the wages; and I should like to see silver a legal tender to a larger amount.

To what amount?—Two hundred pounds, or £100 at least.

Do you think that would tend to replace the gold that was displaced by these smaller notes?—The issue of 50s. notes and £1 notes would most certainly do so.

And you think that the Bank would be more fortified by the larger amount of its bullion so obtained against adverse exchanges?—I have no doubt of it; I wish particularly to guard myself, by saying that the £1 notes should be Bank of England circulation.

Mr. *Wilson*.—You stated that your remedy for a period of pressure would be, lowering the denomination of the convertible note, taking care at all times to secure its convertibility, by the Bank holding a sufficient reserve; will you inform the Committee of the precise operation by which you expect that the currency of the country would be relieved by a system of that kind?—First of all, I entertain the opinion, in common with many others, that a gold currency is an expensive currency; and I have stated the difficulty that we have in obtaining that currency, and the depreciation at the Bank of England from the loss of weight. Some of my friends in London have told me, that after they have taken gold as of the proper weight from country bankers, they lose £200 or £300 a year from its being reported by the Bank of England as below weight by their scales. First of all, there is the expense of the gold; and taking the gold in by the issue of £1 notes would tend to lessen the pressure in time of scarcity; I can have no doubt, speaking of my own district more particularly, that every one of the notes issued, or a very large proportion of those notes, would be repaid in sovereigns, which would find their way to the Bank coffers.

Then it would really place at the command of the country so much additional *bonâ fide* capital for profitable purposes?—That is decidedly my view.

Would you propose, in the event of a lower denomination of note being issued, and thereby the amount of the Bank circulation increased, that the Bank should hold a proportionate amount of reserve to maintain the convertibility of those notes?—I am of opinion that the amount held of reserve in bullion need not be increased relatively with that increase of the paper circulation; but I would be quite content to take Government securities, if they exceeded the present limits.

#### *Evidence of Thomas Tooke, Esq.*

National advantages derived from the Bank of England limited by the Bank Act.

*Chairman*.—Do you consider that the existence of the Bank of England is an advantage to the public?—Unquestionably; its existence upon its present scale arises from the circumstance of its being the Government Bank; but taking it all in all, I should say that it is an institution which, if it did not exist, and you were constructing a system *de novo*, it would be desirable to have.

What advantages do you consider to flow from the existence of the Bank of England?—The principal one is precisely that which was taken away from it by the Act of 1844, viz., that upon a general failure of credit there is this vast establishment, with its enormous capital and its unquestioned credit, which can come in and fill the vacuum created by such a general derangement of credit as might otherwise occasion a total suspension of business.

Do you conceive that during the late difficulties the Bank of England has been of any benefit in assisting public credit?—It has been a benefit, in spite of the system; it has been of no more benefit till the letter of suspension came than any private bank, except taking into consideration its magnitude. I think it has been a very great mistake, that of causing the Bank of England to cease to be a bank of issue; I think there never was a greater blunder made; the whole of the commercial concerns of the country for 150 years were moulded upon the elasticity of the credit of the Bank of England, and you have now taken that away, and have introduced this separation of departments, reducing the Bank of England, barring only the difference of its capital, to the same functions as those of Jones, Loyd and Company, or Glyn and Company, or Smith, Payne and Company; now, that I conceive to be a most egregious error.

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## HISTORY OF COINS.

From the London Penny Cyclopædia.

**COIN:** metal stamped for currency; derived by some from the Greek *κέρως*, *common*; by others from the Latin, *cuneus*, *a wedge*; the first currency of metal, in all probability, being in the form of wedges, or ingots. Commerce, in the earliest periods, was carried on by the mere exchange of articles, and it is remarkable that throughout the early part of Scripture, as well as through the poems of Homer, not a single passage occurs from which we can infer either the use or the existence of stamped money. Metals, however, being close and compact in form, universal as to use, and admitting of division into larger or lesser parts, soon became the representatives of value, though at what exact period remains in doubt. Herodotus, I. 94, speaking of the Lydians, expressly says they were the first people on record who coined gold and silver into money. The Parian Chronicle, however, ascribes the origin of coined money to the Æginetans, under Pheidon, king of Argos, 895 years before Christ. Ælian, in his 'Various History,' corroborates this statement as far as the Æginetans are mentioned: and our best numismatic antiquaries agree in considering the coins of Ægina, from their archaic form and appearance, as the most ancient known. They are of silver, and bear on the upper side the figure of a turtle, and on the under an indented mark, as if the metal, at the time of striking, had been fixed upon a puncheon, and from the weight of the blow had received a deep

cleft. In later coins of Ægina, the turtle has been changed to a tortoise, and the fissure on the other side converted into a device. The coins of Lydia probably come next in point of antiquity, and then the early Darics of the Persian kings, which occur both in gold and silver, and bear a strong resemblance to the coins of Ægina in the mode of striking: these, if they are to be referred to Darius the First, must have been coined between B. C. 522 and 486. The richer the metal, the smaller and more portable was the quantity required for the coin. There are coins in gold of the early kings of Persia, similar in type to the silver Darics, and of very minute size.

The study of coins is not to be considered as the province of the antiquary alone. Coins are among the most certain evidences of history. In the later part of the Greek series they illustrate the chronology of reigns. In the Roman series they fix the dates and succession of events. Gibbon observes that if all our historians were lost, medals, inscriptions, and other monuments, would be sufficient to record the travels of Hadrian. The reign of Probus might be written from his coins. In illustrating the history and chronology of sculpture and ancient marbles, coins enable the scholar and the artist not only to discern those peculiarities which characterise style, as it relates to different ages and schools, but to ascribe busts and statues to the persons whom they represent. The personation of the different provinces, too, forms another point of interest upon the Roman coins. Coins are frequently essential to the illustration of obscure passages in ancient writers; and preserve delineations of some of the most beautiful edifices of antiquity not existing now even in their ruins. Addison, in his 'Dialogue on the Usefulness of Ancient Medals,' has long convinced the world of the connexion of this science with poetry. As a branch of the fine arts, it may be sufficient to say, that some of the medals of Sicily belong to a period when sculpture had attained its highest perfection. We would particularly refer to the coins of Syracuse. In every quality of art, too, the Roman coins, to a certain period, yield to the Greek alone. From Augustus to Hadrian the Roman mint was the seat of genius: and coins of admirable execution are found even down to the time of Posthumus.

The generality of numismatic writers divide coins into Ancient and Modern;—the Ancient, into the great divisions of Greek, Roman, and Barbarian.

The *Greek* they divide into cities and kings. Of the first they can make no chronological arrangement: it is alphabetical, under the different countries. The kings commence with the age of Alexander the Great, and belong to the four kingdoms into which his empire was divided, besides the kingdom of Epirus. This series, in a chronological point of view, closes with the extinction of the dynasty of the Lagidæ in the Augustan age. The coins of the Greek cities were impressed either with appropriate symbols or the heads of deities. The coins of the monarchs bore the heads of the respective princes. Pinkerton observes that the first copper coins of Greece known are those of Gelon, king of Syracuse, about 490 years before our æra. These were called Chalci, pieces of brass; others, of a more diminutive size, were called Lepta, or Kerma, as being change for the poor. He considers there is

no proof of the coinage of gold in Greece before Philip of Macedon. Athens had no gold money at the beginning of the Peloponnesian war.

The *Roman* coins are divided into consular, imperial, and medallions. The subdivisions of the consular are into Roman asses and coins of the families. Of the imperial there are two subdivisions, Roman and Grecian; the latter being again subdivided into those of provinces, colonies, and municipia. The medallions are likewise divided into Roman and Grecian. The earliest coinage of Rome was of copper, and took place in the reign of Servius Tullius, probably about five centuries before Christ. The Romans are supposed to have borrowed the art from their neighbors, the Etruscans. Of the as, its divisions and its compounds, we have already spoken in a former article. On some of the later Roman, as well as on what were called the Italian asses and their parts, the practice became prevalent of placing the names of many of the principal families of Rome upon the fields of the coins. These form the division which are called family coins. The silver coinage of Rome was introduced in the year 266 before Christ, when the denarius was so termed from its being equivalent to ten asses. Pliny informs us (*Nat. Hist.* xxxiii. 13, edit. Hard. ii. 612) that the coinage of gold was introduced sixty-two years after that of silver. The largest piece of gold was called aureus [AUREUS.] The imperial coins of Rome form the most complete and most interesting series of any extant. Those of copper being found of different sizes, are distinguished into first, second and third brass: in historical importance, as well as for the devices, the largest series is to be preferred. The largest imperial brass coin was the sestertius, and from the Augustan age went by the name of nummus, or æreus. It was worth two pence English. All the large brass coins are of yellow metal; the middle brass, yellow and red; the small, mostly red. No sensible diminution of the sestertius took place till the reign of Alexander Severus, when it lost upwards of a sixth of its weight, and continued to diminish till the reign of Gallienus, when it totally vanished. In this reign the chief copper coins in use were the small brass, or assaria, which, according to the writers of the Lower Empire, were at last numbered at sixty to the silver denarius. Under Valerian and Gallienus, copper washed with silver appeared. In the reign of Diocletian, a coin denominated the follis supplied the place of the sestertius; but the denarii ærei continued quite common down to Constantine I. He introduced a new coinage, and then the follis had its changes and its subdivisions; but its appellation adhered to what had now become the largest brass coin of the Roman empire, to the very latest notices which we have of the Byzantine money. From the time of Augustus to that of Gallienus, the imperial or silver denarius contained sixteen assaria. Under Caracalla a larger denarius was struck, which had a third more, or twenty-four assaria, and was called argenteus: the common denarius of silver being then termed minutus. Under Gallienus, however, the minutus ceased, and argenteus and denarius then became only different names for the Roman silver coin, which at that time contained no less than sixty assaria. Constantine I. introduced the milliarenis, worth somewhere about a shilling of our money: but the argentei, or denarii, were struck as late as the reign of Heraclius.



Aurei and semi-aurei were the sole pieces in gold for near three centuries. Till Sulla's time the aureus continued at thirty silver denarii. In the reign of Claudius, and afterwards, it went for twenty-five silver denarii. Under Philip, aurei of two or three sizes first appear, of a rude fabric: one class of which were called trientes. The weight originally given to the aureus was 120 grains; it afterwards fluctuated to between 80 and 90 grains, and was sometimes even of less weight. Constantine I. accommodated the aureus to his new coinage, and gave it the name of solidus, of six in the ounce of gold. The solidus passed for fourteen milliarenses. It went for rather more than twelve shillings of our money, and continued of the same standard to the very close of the Byzantine empire. The medallions were struck both at Rome and in the provinces, whence the division of this class into Roman and Grecian. The term is applied to all those productions of the Roman mint which exceeded the coins ordinarily current in size, whether in gold, silver, or brass. Though generally conceived to have been struck upon similar occasions to those on which we ourselves coin medals, there are still various circumstances which lead to the belief that they were intended for circulation as money. Medallions, says Pinkerton, from the time of Julius to that of Hadrian are very uncommon and of vast price: from Hadrian to the close of the Western Empire, they are less rare. The types of the Roman medallions are often repeated upon common coin. Those struck in the Grecian territories are the most numerous, and are distinguished from the Roman by their thinness and inferiority of workmanship. Many Roman medallions have s. c. upon them, as being struck by the senate; others have not, as being struck by order of the emperor. The Roman medals called Contorniati, it is the opinion of our first medallists, were no more than tickets of admission for different places at the public games.

The third class of ancient coins, denominated *Barbarian*, consists of those of Lydia, Persia, Judæa, Phœnicia, Numidia and Mauritania, Carthage, Spain, Gaul, and Britain. The coins of Lydia and Persia have been already slightly noticed. The Darics, from their present extreme scarcity, are supposed to have been melted down for his own coinage by Alexander the Great, upon his conquest of Persia. Pinkerton asserts that all the real Darics were of gold, and that the silver coins with the archer (the same type) are later. Nevertheless many of the silver Darics are equally if not more archaic in appearance. Of Persian coins there is a second series, that of the Sassanidæ, beginning about A. D. 210, when Artaxerxes overturned the Parthian monarchy; they extend to the year 636, when Persia was conquered by the Arabian caliphs. The Hebrew coins were struck under the dominion of the family of the Maccabees, and chiefly in the time of Simon the high priest, about the year 150 B. C. They are nearly all of copper, and extremely rude in workmanship; the legends are in Samaritan characters, and the symbols are those appropriate to the nation, such as a sprig, considered as Aaron's rod, sacramental cups, censers, &c. The Hebrew shekel, as it is called, is of silver, about the value of the Greek tetradrachm. Hebrew coins pretending to an earlier date than the Maccabees are spurious. The Phœnician coins are in no instance considered older than the time



of Alexander the Great, and are chiefly referred to the cities of Tyre and Sidon. The Numidian coins are those of Juba I. and II. The Punic or Carthaginian coins are believed to have been struck by Greek artists. Those of Spain agree in character with the coins of the different nations by whom the several colonies of that country were planted, Phœnicians, Greeks, and Carthaginians; and many of them are inscribed with Phœnician, Greek, and Roman legends: a few others are met with, distinguished by what are called Celtiberian characters, not unlike the letters of the Runic and Etruscan alphabets. Of the coins of Gaul, the most ancient have no legends at all; they have very rude devices, and many of them are in base gold: after the Gauls had intercourse with the Romans, some of their coins bear inscriptions which look like Latin, mostly in single words, and not of easy interpretation: they are not unlike many of those which are called early British. Cæsar describes the Britons as a people just emerging from barbarism, and no further acquainted with commerce than to have discovered that it could not be conducted by simple barter alone. His account implies, that however they might have known its use, the Britons had not proceeded so far as actually to coin money: although they had a substitute for it in pieces of brass, or iron rings, or plates regulated by weight. He says, 'Utuntur aut ære, aut annulis ferreis, ad certum pondus examinatis, pro nummo.' (*Bell. Gall.* v. 12.) The passage however is corrupt: for *annulis* some manuscripts read *taleis*, and others *laminis*. Coins however are found in this country which are usually attributed to the very early British kings, in gold, silver, and the inferior metals: ruder in fabric than they would have been had the Britons learned the art of coining them from the Romans. They are without legends, and many of them, like the early Gaulish coins already mentioned, have unintelligible devices: they seem to justify our antiquaries in thinking that Cæsar had not sufficient information to make his testimony quite conclusive. The use of a better sort of money was unquestionably taught the Britons by the Romans very soon after Cæsar's second invasion, when the types improved, and when no one who examines them carefully will doubt that Roman artists were employed upon the dies. The earliest coin which can, with the least appearance of probability, be attributed to any particular British monarch, bears upon it the letters *SEGO*, possibly for Segonax, one of the four Kentish monarchs who attacked Cæsar's camp at the time of the invasion we have just mentioned; it has also the word *TASCIO* upon it, which is seen upon numerous other coins which are undeniably British. Cunobelin was a later monarch of Britain, whose name is considered to be abbreviated upon the coins which have *CVN*, *CVNO*, and *CVNOBELI* upon them, together with the words *CAMV* and *CAMVL*, the leading letters of Camulodunum, his capital city, supposed to be either Colchester or Maldon in Essex. *VER*, as well as *VERLAMIO* at length, for Verulam, occur upon other coins of the same period. One has *BODVO*, which may or may not be a coin of Bonduca or Boadicea, queen of the Iceni. It is probable that the British coinage closed with the money of Cunobelin; for in a very few years after his decease the second subjection of Britain took place under Claudius, and was so complete and severe, that the country

became rather a Roman than a British island. Gildas (*De Excidio Britanniae*, c. v.) expressly speaks of a Roman edict which ordained that from that time that all money current among the Britons should bear the imperial stamp. That this prohibition was followed up by the establishment of Roman mints in Britain is highly probable: and certain initial letters, as P. LON. for *pecunia Londini*, &c., are brought forward as evidence of the fact; but most of these initials are equally applicable to other places in the Roman empire where mints were established, and therefore do not afford a proof quite so conclusive as is wanted. The coins of Carausius and Allectus, the seat of whose empire was in Britain, have a strong claim to be considered as the production of British mints. Those who wish to see under one view the 'Coins of the Romans relating to Britain,' will find the fullest information in a little volume recently published under that title by Mr. John Yonge Akerman, 12mo., London, 1836.

MODERN COINS are those which have been struck since the fall of the Western Empire; but it is impossible, in the space to which the present article is necessarily confined, to enter into minute details respecting the series of coins in each country. We shall be brief in our notices of the greater part, that we may devote a larger space to the coins of England.

The series of the coins of Italy, under the Ostrogoths began soon after the year 480 of the Christian æra. The French series commences with Clovis, A. D. 490. That of Spain with Liuva, Prince of the Visigoths, soon after the middle of the sixth century, or about A. D. 567. The states of Germany appear to have struck money very shortly after the age of Charlemagne; as well as the independent Lombard cities, and the Neapolitans. The Papal series of money begins with Pope Hadrian I., A. D. 772. Denmark has coins of an early date, but few of them are intelligible before the time of Canute; contemporary with whose date are the coins of the petty kings of Ireland. In Sweden coinage is said to have begun under Biorno, A. D. 818; and in Norway with Olave or Olaf, A. D. 1066. The Russian coinage is of a later date than the other coinages of Europe. Of Scotland pennies exist ascribed to Alexander I., A. D. 1107: those of William the Lion, A. D. 1165, are numerous. Pennies were the earliest coins in most of the European kingdoms, and a prevailing device upon them was a cross.

*The Coins of England* form the most complete modern series extant. At what time the circulation of the Roman money ceased, we are ignorant: but Sceattæ (from the Anglo-Saxon *sceat*, shot, money) are known of the early kings of Kent, some of which must have been struck within the sixth century; and there are others so similar to them in type as to justify their appropriation to the same people, but which from their symbols were evidently coined before their conversion to Christianity. They are too rude generally to admit of description, are of silver, and found of different weights, from seven grains and a half troy to twenty and upwards: their most common weight is from fifteen to nineteen grains. Several plates of these coins are engraved in Ruding; they appear to have been current chiefly from the years 500 to 700. A sceatta of Ethilberht I. of Kent is the earliest Saxon coin which can be appropriated: he reigned from A. D. 561 to 616. Sceattæ also are the only

coins which have hitherto been discovered of Ecghbert, king of Kent, who reigned from 665 to 674. In point of antiquity the penny succeeds; the name of which first appears in the laws of Ina, king of the West Saxons, who began his reign in 688. The word has had numerous etymologies; but that from *pendo*, to weigh, seems the most reasonable: it was then, as it still is, the 240th part of the nummary pound. The half of the penny, called *helflinge* or *halfpfenige*, and the fourth part or *feorthung*, farthing, are mentioned in the Saxon gospels; and a Saxon halfpenny of Edward the Elder is said to exist in the Bodleian collection at Oxford: but we know little more of the earliest divisions of the penny. The coin ascribed as a penny to Ethilberht II. king of Kent, between 749 and 760, with Romulus and Remus on the reverse, is beyond doubt a forgery. As to the rest of the kingdoms of the Heptarchy, no coins have yet been discovered of the South Saxon monarchs. Of the West Saxon kings, we have coins of Athelheard, A. D. 726; and of Beorhtic, who came to the throne in 784. Mercia seems to have been the most wealthy kingdom, and has a large series. It begins with Eadvald, who ascended the throne in 716, followed by Offa (whose queen Cenethreth or Quindred also enjoyed the privilege of coining,) Egeberht, Coenvulf, Ciolvulf I., Beornwulf, Ludican, Wiglaf, Berhtulf, Burgred, and Ciolvulf II., with whose short reign the kingdom expired. The coins of the East Angels begin with Beonna, about the year 690; but in consequence of the temporary annexation of the kingdom to that of Mercia, we have but few coins of succeeding monarchs; those only of Aethelweard, 760, Edmund the Martyr, 855, and Ethelstan, 860, are known. The kingdom of Northumberland has this remarkable peculiarity belonging to its coinage, that from its mints issued, as far as is yet discovered, the only brass coins which were struck by the Anglo-Saxons. The earliest specimen hitherto known is of the reign of Ecgrith, who ascended the throne in 670: it differs from the stycas of succeeding monarchs in the omission of the moneyer's name on the reverse. Of sixteen succeeding monarchs (whose reigns occupy more than a hundred and thirty years,) no coins have as yet occurred. The first that appears was struck by Eanred, who began to reign in the year 808. One silver penny of Eanred is known. His stycas are of various rude types, without any representation of the monarch, but with a legend similar to that on his silver coin, excepting that the moneyer's name stands on the reverse, without any addition. Other stycas occur of Ethereld his son 840, of Redulf, and of Osbercht, whose reign began in 849. After his reign stycas seem to have fallen into disuse, at least none of a later period have yet been found. Stycas were also struck in the Saxon times by the archbishops of York: Ruding has engraved those of the archbishops Eanbald II., Vigmund, and Wulphere. One coin of Regnald, who was expelled the kingdom of Northumberland in 944, is known; and one of Anlaf, which has upon its reverse the Danish raven: these are pennies. Pennies also are known of Eric. At the beginning of the ninth century Ecgbeorht or Egbert, ascended the throne of the West Saxon kingdom; and in the course of his long reign brought under his dominion nearly the whole of the Heptarchic states: he is therefore, commonly considered as the first sole monarch

of England, notwithstanding those states were not completely united in one sovereignty until the reign of Edgar. On his coins he is usually styled ECGBEORHT REX, and sometimes the word SAXONYM is added in a monogram within the inner circle of the obverse: some of his coins have a rude representation of his head, and some are without it. From Egbert's time, with very few exceptions, the series of English pennies is complete; indeed for many hundred years the penny was the chief coin in circulation. Of the Saxon pennies those of Alfred bear a considerable price; on some he is called AELBRED REX, on others ÆLFRED. Edward the Elder has Saxon buildings on the reverses of several of his coins; and on one Athelstan's is a building intended for York Cathedral. The coins of Canute and of Edward the Confessor are among the most common of the Saxon series; those of Harthacnut are rare. English coins of Canute have frequently, and of Harthacnut in a few instances, been found in Denmark. Numerous coins of Canute and Ethelred II. have also been found in Ireland.

The archbishops of Canterbury, during a part of the Anglo-Saxon period, also coined money. Pennies exist of Jaenberht, archbishop of Canterbury, from 763 to 790; of Æthilheard, who died in 803; of Vulfred, who succeeded in that year; of Ceolnoth, who died in 870; of Ethered, 871; and of Plegmund, who sat from 891 to 923. In Athelstan's laws two moneyers are allowed to the archbishop of Canterbury, but no archiepiscopal coins of that reign are known, nor indeed any until the time of archbishop Bouchier, a space of several hundred years. Of Harold II.'s pennies there are three distinct types; two with the head looking to the left; the third, which is of very uncommon occurrence, with the head to the right; all have the word PAX in the centre of the reverse. Of the coins of William I. and II. the best account, with engravings of all the types, will be found in the 'Archæologia,' vol. xxvi. p. 1—25. Of the types there exhibited, those which bear the strongest resemblance to the coins of the Confessor and Harold are ascribed with great probability to the first William; those which most resemble Henry I.'s coins to William II. The coins which present a sceptre on each side of the king's head, are universally ascribed to the Conqueror: those with two stars to William Rufus, the same ornament occurring upon his Great Seal. Most of them read PILLEM, PILEMV, or PILLEMVS REX A, AN, ANGLO, or ANGLOR; the P in Pillem being in reality the Saxon V (W.) Of Henry I.'s pennies, the types are as various as upon those of any monarch of the English series: the reverses bear the name of the mint and moneyer. This had been the Saxon practice, and it continued till the reign of Edward I. Our historians say that Henry I. coined halfpence and farthings; but none such are known in our cabinets. Through the Norman times, and certainly in the reign of Edward the Confessor, halves and quarters of the penny, regularly and nicely cut, to go as half pence and farthings, occur almost whenever parcels of the coins of those periods are discovered. The troubles of Stephen's reign will account for the wretched state in which the pennies of that king occur: these, with what are certainly the earliest pennies of Henry II., are among the worst of the English coins in point of mintage. The barons of this reign are reputed by our his-



torians to have struck coins; but only two or three such are known, and those of persons related to the king. Pennies are extant ascribed to Robert, earl of Gloucester, bastard son of Henry I.; to Henry, bishop of Winchester, base brother of Stephen; and to Eustace, Stephen's son. They are all of great rarity, as is the coin which bears the full length effigies of Stephen and Henry II. The coin of Robert however is by some ascribed to Robert duke of Normandy, the eldest son of the Conqueror. Henry II., according to Ruding, had but one type; but there seems every reason to believe that the pennies which usually go by the name of the first coinage of King Henry III., are in reality the last coinage of Henry II. at the time he reformed his money, A. D. 1180. Of Richard I. and John, we have no English money; but pence, halfpence, and farthings are extant of John, all struck in Ireland. Those coins with a full face, bounded by the inner circle, have the inscription IOHANNES DOM. and were struck at the time his father made him lord of Ireland; those which give the face inclosed in a triangle, and IOHANNES REX, were coined after he ascended the throne. The farthing of this last coinage is extremely rare. Of John's coins, Dublin appears to have been the only place of mintage. Henry III.'s pennies (if those which we have considered as the latest pennies of Henry II. really do not belong to Henry III.) have usually the numerals added to his name, HENRICVS REX III. Some of his pennies have HENRICVS REX TERCII, and a few HENRICVS REX ANG. His coinage, if we may judge from the quantity of his pennies which still remain, must have been a very extensive one. Halfpence and farthings are spoken of in a record of this reign, but none have appeared. The pennies of Edward I. II., and III., are usually thus distinguished by our antiquaries: those which give the king's name EDW. are ascribed to Edward I.; those with EDWA., EDWAR., and EDWARD, to Edward II.; those with EDWARDVS to King Edward III. A few with EDW. are known certainly to belong to Edward I., particularly those which have a moneyer's name on the reverse, ROBERT DE HADELEIE, who is known from records to have been a moneyer in 1280. Both Henry III. and Edward I. struck pennies in Ireland, in the manner of John's later coins, representing the king's head within a triangle. Edward I. struck halfpence and farthings in his great coinage of 1279, which are not unfrequently met with in the cabinets of collectors, as well as halfpence and farthings with the Irish type, struck at Dublin and Waterford. It may be sufficient, as regards these small coins, to say that they continued in currency for several centuries. The last silver farthing is known to have been coined in the reign of Edward VI., but no specimen of it has been seen: the last silver halfpenny was struck under the Commonwealth. The penny has continued through every reign to the present. Our limits will not allow of further minute description. Among the rarest in the later part of the series may be reckoned the pennies of Edward VI., Mary, and Philip and Mary. From the reign of Edward I. to Henry VIII., we have pennies which bear the privy marks of the bishops of Durham; from Henry IV. to Henry VIII., we have coins struck in the archiepiscopal mint at York; and others of the see of Canterbury, from archbishop Bouchier to archbishop Cranmer. The first English pennies weigh  $22\frac{1}{2}$  grains

troy. Towards the close of Edward III. the penny weighs 18 grains, and in the reign of Edward IV. it fell to 12, after previously sinking to 15. In Edward VI.'s time, 1551, the penny was reduced to 8 grains, and after the 43rd of Elizabeth to  $7\frac{1}{2}$  grains, at which weight it still continues. The penny affords the best rule for estimating the other silver coins.

According to Grafton, Henry III., in 1249, ordered groats to be stamped, but none such are mentioned in any record. There is a large piece however found occasionally in the cabinets of the curious, sometimes ascribed to Edward I., but whether his, or Edward II.'s, or Edward III.'s, is uncertain. It occurs of different weights, from 80 to 138 grains, and represents the king's head on its obverse, within a double tressure of four arches, with mullets and roses; inscribed EDWARDVS DI. GR. REX. ANGL. The reverse, besides a continuation of the king's titles in the outer circle, has CIVI. LONDONIA within an inner one. There can be little doubt but that it was a trial-piece. Groats and half-groats were not introduced for currency till the 25th Edward III., and continue at present, though not for circulation. A silver fourpenny piece for circulation, of a different type from the ordinary groat, has been issued for circulation by King William IV., A. D. 1836. The groat received its name from the French *gros*, a large piece. In the time of Henry VII. and Henry VIII. groats and half-groats were struck in the archiepiscopal mints of Canterbury and York. It was one of the charges against Wolsey, that he had put the cardinal's hat upon the king's money, as is seen upon his York groats and half-groats.

The testoon, or shilling, was first coined by Henry VII., in 1503. The appellation of testoon was from the *teste* or *tête*, the head of the king upon it: that of shilling is of old but uncertain origin. Pinkerton says, that coins of that name had been struck at Hamburg in 1407. The scilling was a denomination of money in the Saxon times.

Henry VIII. struck some patterns for a silver crown; but the first crown for currency was struck by Edward VI., with the half-crown, sixpence, and threepence. Queen Elizabeth, in 1558, coined three-half-penny, and in 1561 three farthing pieces. Pinkerton says they were dropped in 1582, but there is a three-halfpenny piece in the cabinets of the British Museum, bearing the date of 1599. Charles I. struck twenty-shilling and ten-shilling pieces in silver, but they were of very limited currency.

From the 43rd Elizabeth, 1601, the denominations, weight, and fineness of English silver have remained the same. It is worthy of remark, that, during all his distresses, King Charles I. never debased his coin. The gold coinage of England is next to the silver in point of antiquity. The gold current with us, till the 41st Henry III., was foreign. In that year, 1257, a manuscript chronicle, in the archives of the city of London, states that the king made a penny of the finest gold, which weighed two sterlings, and willed that it should be current for twenty-pence. Three specimens of it only are yet known to have reached us; and two out of the three are preserved in the British Museum. They are from different dies. This coin is engraved in Snelling's 'View of the Gold Coin,' in the last edition of Folkes's 'Tables,' and in Pinkerton's 'Essay on Medals.' It is from Edward III. that the series of English gold coin

really commences, for no more occurs till 1344, when that prince struck florins. The half and quarter florin were struck at the same time. The florin was then to go for six shillings, though now it would be intrinsically worth nineteen. This coin being inconvenient, as forming no aliquot part of larger ideal denominations, seems to have been withdrawn. None have yet been found, but a few quarter-florins are preserved in cabinets, and one half-florin is known. In consequence, in the same year, the noble was published, of 6*s.* 8*d.* value, forming half a mark, then the most general ideal form of money. The obverse represents the king standing in a vessel, asserting the dominion of the sea. The noble was also attended by its half and quarter. This coin, sometimes called the rose noble, together with its divisions, continued the only gold coin, till the angels of Edward IV., 1465, stamped with the angel Michael and the dragon, and the angelets or half-angels were substituted in their place. Henry V. is said to have diminished the noble, still making it go for its former value. Henry VI. restored it to its size, and caused it to pass for 10*s.*, under the new name of ryal. The ryal of 10*s.* and the angel of 6*s.* 8*d.*, with their divisions of half and quarter, then continued the sole gold coins till, in 1485, Henry VII. issued the double ryal, or sovereign, of 20*s.*, accompanied by the double sovereign of 40*s.* Henry VIII., in 1527, added to the gold denominations the crown and half-crown, at their present value, and in the same year gave sovereigns of 22*s.* 6*d.*, ryals of 11*s.* 3*d.*, angels of 7*s.* 6*d.*, and nobles at their old value of 6*s.* 8*d.* In 1546 he struck sovereigns of the former value of 20*s.*, and half sovereigns in proportion. Henry VIII.'s gold, like his silver coin, was in the latter part of his reign much debased. Edward VI. coined a treble sovereign; and under James I. the sovereign was called a unite. The former coins however continued, with a few variations, till Charles II. coined the guinea, so called from the Guinea gold, out of which it was first struck in 1663, when it was proclaimed to go for 20*s.*, but by tacit and universal consent never went for less than 21*s.* Charles II. likewise issued half guineas, double guineas, and five guinea pieces, which his successors, till King George IV., continued. George I. and George III. issued quarter guineas; and George III. pieces of seven shillings in 1797. In 1815 sovereigns and half-sovereigns, of 20*s.* and 10*s.* each, were again coined, and the guinea and half-guinea were gradually withdrawn from circulation.

With the exception of the styca, the copper coinage of England arose a thousand years later than its silver. Queen Elizabeth had a great aversion to copper money, although the necessities of her people for small change were obvious. She suffered a pattern to be struck as the PLEDGE. OF. A. HALF PENNY, and James I. and Charles I. actually issued farthing tokens also as pledges; but no authorized coinage of copper was struck till 1672, when halfpence and farthings of that metal were first made public money. In 1684 tin farthings were coined, with a stud of copper in the centre. Others, as well as halfpence of the same metal, were struck by James II., and William and Mary. In 1693, the tin was called in, and copper renewed. Pieces of a penny and twopence in copper were coined in the reign of George III. The latter did not answer their purpose, and were soon discontinued. The penny pieces remain in circulation.



## STATISTICS OF THE COINAGE.

For the following pages we are indebted to a most elaborate and valuable quarto volume, entitled "A Manual of Gold and Silver Coins of all Nations; Showing their History and Legal Basis, and their Actual Weight, Fineness and Value, chiefly from Original and Recent Assays. By J. R. Eckfeldt and William E. Du Bois, Assayers of the Mint of the U. S. Illustrated by numerous engravings of Coins."

To those who wish to pursue this subject further, and to possess a professional and complete work upon Coins and Coinage, this *Manual of Coins* will be very useful.

The coinage and monetary system of our own country, may properly claim in this treatise a somewhat extended notice.

The territory which now bears the name of *The United States*, was in the possession of savage tribes until the seventeenth century. In 1607 the first company of emigrants arrived from Europe, and established the colony of Virginia. At intervals of a few years, new settlements were made in various other quarters; and before the close of that century, the foundations were laid for twelve of the thirteen colonies, which eventually became a Union of free States.

The earliest metallic currency of each colony consisted chiefly of the coins of its mother country. In Massachusetts, however, (and doubtless in all the settlements,) specie was so scarce, that for many years it was common to pay taxes, and to carry on internal trade, by transferring, at certain rates, cattle, skins, and the products of the soil. Various considerations, enhanced by the inconvenience and uncertainty of such a medium, induced the Massachusetts colony in 1652 to establish a mint. The law enacted for that purpose, provided for the coinage of shillings, sixpences, and threepences, to be of the fineness of sterling silver (925 thousandths), and by a reduction of weight, to be "two-pence in the shilling of less valew than the English coyne." The mint met with much opposition from the British crown, whose prerogative was invaded by its operations, but continued in existence more than thirty years, during which time a considerable amount of coin was issued. These coins are now extremely scarce, and indeed are not to be found except in the cabinets of the curious. Only the shilling has been seen at this mint, the best specimens of which, at this day, weigh from 64 to 67 grains, and by a recent assay prove to be 926 thousandths fine; the intrinsic value, therefore, is about 16½ cents. They are a rude coinage, very thin, and of various diameters; and there is some variety in the impressions; but the date of 1652 appears on all of them. The device of a *pine tree* on one side, has given to the series the common designation of the "pine tree coinage." They were taken in England at a discount of one-fourth of their home value.

The example of Massachusetts was followed by Maryland, where silver and copper coins were issued in 1662. These pieces were to be equivalent to the British, but in reality were not much heavier than the like denominations coined at Boston.

These were the only issues of silver coin previous to the independence of the States. There were, however, various pieces of copper struck at different periods; as, in 1694, the half-penny for the Carolinas, a two-penny piece and penny in 1723, another penny in 1733, and a half-penny for Virginia in 1773. After the revolutionary struggle of 1776-82, and before the establishment of the National Mint, there were various emissions of silver and copper by States and individuals, which will be noticed farther on.

As the population and trade of the colonies increased, foreign gold and silver coins found their way into the country, and became a part of the circulating medium. These were chiefly the guinea, the joe and its half, the doubloon and pistole, in gold; the dollar and its parts, the pistareen and its parts, and the British shilling and sixpence, in silver. French crowns were not known until the Revolution, when they became common. But of the specie currency, no piece was so well known as the Spanish-American dollar; insomuch that, about the epoch just referred to, it became the effective standard or unit of our moneys.

The *pound* of the colonies was at first the same as the pound sterling of England, being simply a money of account. This relation, in process of time, became greatly altered, in consequence of excessive issues of paper by the colonial authorities; but as these issues were greater in some of the colonies than in others, the proportion was very unequal and complicated. The following were the rates of the colonial pounds, in sterling pounds and Spanish dollars, after the Revolution:

	<i>New England and Virginia.</i>	<i>New York and N. Carolina.</i>	<i>Middle States.</i>	<i>S. Carolina and Georgia.</i>
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Pound sterling, . .	1 6 8	1 15 6½	1 13 4	1 0 8½
Spanish dollar, . .	6 0	8 0	7 6	4 8

Peace was scarcely concluded, before the preliminary step was taken towards a national coinage. Congress directed the Financier of the confederation, Robert Morris, to lay before them his views upon the subject of coins and currency. The report was presented early in 1782, and is stated by Mr. Jefferson to have been the work of the Assistant Financier, Gouverneur Morris. It will be interesting to trace the steps by which three grand benefits have been secured to this country; the establishment of a uniform national currency—the rejection of mere moneys of account, or rather, making them the same with real moneys—and the adoption of a decimal notation.

All these objects were in the eye of the Assistant Financier. He first labored to harmonize the moneys of the States; and found that the  $\frac{1}{144}$ th part of a dollar (Spanish) was a common divisor for the various currencies. Starting with this fraction as his unit, he proposed the following table of moneys:

Ten units to be equal to one penny.

Ten pence one bill.

Ten bills one dollar, (about two-thirds of the Spanish dollar.)

Ten dollars one *crown*.

The report contains this observation: "Although it is not absolutely necessary, yet it is very desirable, that money should be increased in a decimal ratio; because by that means, all calculations of interest, exchange, insurance and the like, are rendered much more simple and accurate, and of course more within the power of the great mass of the people."

- The subject was discussed repeatedly in Congress, but no further step was taken until 1784, when Mr. Jefferson, on behalf of a committee appointed for the purpose, brought in a report, disagreeing with that of the Financier, except as to the decimal system. The following remarks occur in this document: "The most easy ratio of multiplication and division, is that of ten. Every one knows the facility of decimal arithmetic. Every one remembers, that when learning money arithmetic, he used to be puzzled with adding the farthings, taking out the fours, and carrying them on; adding the pence, taking out the twelves, and carrying them on; adding the shillings, taking out the twenties, and carrying them on; but when he came to the pounds, where he had only tens to carry forward, it was easy and free from error. The bulk of mankind are schoolboys through life. Certainly, in all cases, where we are free to choose between easy and difficult modes of operation, it is most rational to choose the easy. The Financier, therefore, in his report, well proposes that our coins should be in decimal proportions to one another."

He found fault with the *unit* of Mr. Morris, first, on account of its diminutive size: "A horse or bullock of eighty dollars value would require a notation of six figures, to wit, 115,200 units;" secondly, because of its want of correspondence in value, with any known coins. In lieu of this the Spanish dollar was proposed, as being of convenient size, capable of easy actual division, and familiar to the minds of the people. It was added, that the course of our commerce would bring us more of this than of any other foreign coin; and besides, the dollar was already as much referred to as a measure of value, as the respective provincial pounds. Upon this basis, it was proposed to strike four coins, viz:

- A golden piece, of the value of ten dollars.
- A dollar in silver.
- A tenth of a dollar, also in silver.
- A hundredth of a dollar, in copper.

The Assistant Financier conceded something to Mr. Jefferson's views, but adhered to the main principles of his own scheme. It would be out of place to enter into the arguments offered on behalf of each proposition; it is sufficient to say, that Congress in 1785 adopted Mr. Jefferson's report, and in the following year made legal provision for a coinage upon that basis.

All these proceedings were, of course, under the *Confederation*, which lasted from 1778 to 1787. An article in that compact provided as follows: "The United States, in Congress assembled, shall have the sole and exclusive right and power of regulating the alloy and value of coin struck by their own authority, or by that of the respective States." Some of the States issued copper coins during that period. How long

they continued current cannot be stated; but at this day, those of them that remain, are in the custody of coin-collectors. The cent of Massachusetts varies in weight from 148 to 164 grains; the New Jersey piece, 128 to 154 grains; the Connecticut coin is the most irregular, varying from 96 to 144 grains. The Vermont cent of 1786, weighs about 110 grains. There are also other varieties, particularly the "Nova Constellatio," of thirteen stars, and another piece with the same significant number of *rings*, conjoined, both of which were coined in Massachusetts.

The Constitution of 1787 arrested all these local issues, and vested the right of coinage solely in the general government. The establishment of a mint was, however, still delayed. In the well known report on moneys, weights and measures, made to Congress in 1790 by Mr. Jefferson, then Secretary of State, it was remarked: "The experiment made by Congress, in 1786, by declaring that there should be one money of account and payment through the United States, and that its parts and multiples should be in a decimal ratio, has obtained such general approbation, both at home and abroad, that nothing seems wanting but the actual coinage, to banish the discordant pounds, shillings, pence, and farthings of the different States, and to establish in their stead the new denominations."

On the 2d April, 1792, a code of laws was enacted for the establishment and regulation of the mint, under which, with slight amendments, the coinage was executed for forty-two years.

The denominations of coin, with their rates, were as follows:

**GOLD.** The eagle of ten dollars, to weigh 270 grains, the half and quarter in proportion; all of the fineness of 22 carats, or 917 thousandths.

**SILVER.** The dollar of 100 cents, to weigh 416 grains; the half, quarter, tenth or dime, and twentieth or half-dime, in proportion; the fineness to be 1485 parts in 1664, or 892.4 thousandths.

**COPPER.** The cent, to weigh 264 grains; the half-cent in proportion.

Since the act of 1792, the following alterations in the standards have been made:

On the 14th January, 1793, the weight of the cent was reduced to 208 grains; the half-cent in proportion.

January 26th, 1796. President Washington issued a proclamation (as he had been empowered to do by law), that "on account of the increased price of copper, and the expense of coinage," the cent would be reduced to 7 dwts. or 168 grains, and the half-cent in proportion. The copper coins have since remained at this standard.

June 28th, 1834. An act was passed, changing the weight and fineness of the gold coins, and the relative value of gold to silver. Before stating the alterations, it may be proper to observe, that the estimate of gold as being worth fifteen times as much as silver, which was the original basis, was found too low at the market value; which, although always fluctuating, was nearer sixteen to one, upon a general average. The effect of our legal proportions was to reduce the coinage of gold, and to restrain its circulation; being always at a premium, the coin was immediately exported to Europe, in the course of trade, and there quickly wrought into other shapes.

To provide a remedy for this evil, engaged the attention of some of our most eminent statesmen for a series of fifteen years. At length, in June 1834, the weight of the eagle was reduced by law to 258 grains (the parts in proportion), of which 232 grains must be fine gold, making the fineness 21 carats  $2\frac{1}{4}$  car. grains, or  $899\frac{225}{1000}$  thousandths. This was an increase of  $6\frac{88}{1000}$  per cent. on the former value of gold. The silver coinage was not changed.

The disadvantages of the complex standards of fineness, both in gold and silver, which were difficult to be expressed or remembered, and very inconvenient in regard to the frequent calculations which were based upon them, early determined the present Director to endeavor to effect an improvement. The standard of nine-tenths fine, as adopted in France and some other countries, was obviously the most simple, and, upon every consideration, the most suitable. To bring our silver coins to that proportion, without changing the amount of fine silver in them, it was only necessary to put less copper, by  $3\frac{1}{2}$  grains, in the dollar, reducing its weight to  $412\frac{1}{2}$  grains. The weight of the gold was not to be changed, but the fineness increased about three-fourths of one thousandth, a difference far within the scope of the legal allowance, and of course hardly appreciable. These proportions were incorporated in a carefully digested and consolidated code of Mint Laws, which was enacted by Congress in January 1837. By that act, the eagle is to be 900 thousandths fine, and to weigh 258 grains; the half and quarter in proportion; and the dollar, at the same fineness, to weigh  $412\frac{1}{2}$  grains; the parts in proportion. The allowed deviation in fineness, for gold, is from 898 to 902; for silver, 897 to 903.

*Recapitulation of the various standards of the Gold and Silver Coins.*

	GOLD EAGLE.		SILVER DOLLAR.	
	Weight, grs.	Fineness, thous.	Weight, grs.	Fineness, thous.
Act of April 2, 1792, . . .	270	916.7	416	892.4
Act of June 28, 1834, . . .	258	899.2		
Act of January 18, 1837, . . .	258	900	412.5	900

It will be proper, in concluding this article, to explain briefly the organization of the Mint of the United States. Until the year 1835 there was but one institution, which was located at Philadelphia. In that year three *branches* of the mint were created by Act of Congress. Two of these were for the coinage of gold only, and were to be situated at the towns of Charlotte in North Carolina, and Dahlonega in Georgia—central points of the gold mining region. The third branch was for both gold and silver, and located at New Orleans, the commercial emporium of the southwest. These three institutions, which, in the view of the law are not distinct mints, but rather branches of the mint, are respectively managed by Superintendants, who are under the control of the Director of the parent mint. The branches went into operation in the year 1838. Their coinage is uniform with that of the establishment at Philadelphia, being systematically tested there for approval.

The whole mint establishment, thus constituted, is itself a bureau or branch of the Treasury Department of the general government, and is under the supervision of the Secretary of the Treasury. Its operations are annually reported through the President to Congress, and are laid open to the public through that body.

## COINAGE OF THE UNITED STATES.

	GOLD.	SILVER.	TOTAL.
1793 to 1800, . . . . .	\$1,014,290	\$1,440,455	\$2,454,745
1801 to 1810, . . . . .	3,250,745	3,569,165	6,819,910
1811 to 1820, . . . . .	3,166,510	5,970,811	9,137,321
1821 to 1830, . . . . .	1,903,090	16,781,047	18,684,137
1831, . . . . .	714,270	3,175,600	3,889,870
1832, . . . . .	798,435	2,579,000	3,377,435
1833, . . . . .	978,550	2,759,000	3,737,550
1834, . . . . .	3,954,270	3,415,002	7,369,272
1835, . . . . .	2,186,175	3,443,003	5,629,178
1836, . . . . .	4,135,700	3,606,100	7,741,800
1837, . . . . .	1,149,305	2,096,010	3,244,315
1838, . . . . .	1,809,595	2,333,243	4,142,838
1839, . . . . .	1,355,985	2,189,296	3,545,181
1840, . . . . .	1,675,302	1,726,703	3,402,005
1841, . . . . .	1,091,598	1,132,750	2,224,348
	<u>\$29,182,720</u>	<u>\$56,217,185</u>	<u>\$85,399,905</u>

The mint at Philadelphia was the only one in operation until 1838. From that year to 1841, both inclusive, the amount of coinage at the mint and its branches was as follows:

	GOLD.	SILVER.	TOTAL.
Mint at Philadelphia, . . .	\$4,581,175	\$5,848,489	\$10,429,664
Branch Mint at New Orleans, .	326,190	1,533,503	1,859,693
Branch Mint at Charlotte, N. C.	507,025	. . . . .	507,025
Branch Mint at Dahlonega, Geo.	517,990	. . . . .	517,990
Total, 1838-41, . . . .	<u>\$5,932,380</u>	<u>\$7,381,992</u>	<u>\$13,314,372</u>

The whole amount of coinage in pieces, from 1793 to 1841, at the mint and branches, has been as follows:

GOLD.	PIECES.	VALUE.
Eagles, . . . . .	291,009	\$2,910,090
Half Eagles, . . . . .	4,700,257	23,501,285
Quarter Eagles, . . . . .	1,108,538	2,771,345
SILVER.		
Dollars, . . . . .	1,674,822	1,674,822
Half Dollars, . . . . .	97,895,662	48,947,831
Quarter Dollars, . . . . .	8,200,502	2,050,125 50
Dimes, . . . . .	23,765,325	2,376,532 50
Half Dimes, . . . . .	23,357,478	1,167,873 90
	<u>160,993,593</u>	<u>\$85,399,904 90</u>

NOTE.—The coinage of Gold and Silver since 1841, has been as follows:

	GOLD.	SILVER.	TOTAL.
To 1841, . . . . .	\$29,182,720	\$56,217,185	\$85,399,905
1842, . . . . .	1,834,170 50	2,332,750	4,166,920 50
1843, . . . . .	8,108,797 50	3,834,750	11,943,547 50
1844, . . . . .	5,428,230	2,235,550	7,663,780
1845, . . . . .	3,756,447 50	1,873,200	5,629,647 50
1846, . . . . .	4,034,177	2,558,580	6,592,757
1847, . . . . .	20,221,385	2,374,450	22,595,835
1848, . . . . .	3,775,512 50	2,040,050	5,815,562 50
Total, . . . . .	<u>\$76,341,440</u>	<u>\$73,466,515</u>	<u>\$149,807,955</u>

Being a total of seventy-six millions in Gold. Our readers will see by reference to our next No. that the Gold Coinage in Great Britain in one year, (1821) was upwards of forty-six millions of dollars in value.—[Editor B. M.]

The amount of copper coinage in the same period, was 89,439,030 cents, and 7,440,713 half cents, altogether of the value of \$931,503 86; which was all coined at Philadelphia.

No eagles were coined from 1805 to 1837, inclusive. No half eagles in 1816 and 1817. No quarter eagles before 1796, nor in 1800-01, nor from 1809 to 1823, except in 1821, nor in 1828 and 1841. No dollars from 1806 to 1838, except 1,000 in 1836. No half dollars from 1797 to 1800, nor in 1815. No quarter dollars before 1796, none from 1798 to 1803, none from 1808 to 1814, and none in 1817, 1824, 1826, 1829 and 1830. No dimes before 1796, none in 1799, 1806, 1808, 1812, 1813, 1815 to 1819, 1824, and 1826. No half dimes in 1798, 1799, 1804, and 1806 to 1828. No cents (except a few specimen pieces,) in 1815 and 1823. No half cents in 1798, 1801, 1812 to 1824, 1827, 1830 and 1832, and none since 1836.

COINAGE OF MEXICO.

	GOLD.	SILVER.	TOTAL.
Ten years, 1801-10, . . .	\$11,020,000	\$216,220,000	\$227,240,000
Do. 1811-20, . . .	6,030,000	106,130,000	112,160,000
Do. 1821-30, . . .	3,630,000	96,030,000	99,760,000
1831, . . .	No returns.	11,720,000	. . .
1832-33, . . .	No returns.	No returns.	. . .
1834, . . .	210,000	11,830,000	12,040,000
1835, . . .	350,000	11,650,000	12,000,000
1836, . . .	570,000	11,490,000	12,060,000
1837, . . .	380,000	11,230,000	11,610,000

For a long term of years, previous to the Revolution, the annual coinage averaged nearly 23 millions of dollars. From the era just named, which had its commencement in 1810, the sum has been greatly reduced. Indeed, although the independence of the nation has long been fully established, yet the ever disturbed state of political affairs produces an effect upon the mints and mines, quite as depressive as was the war of the revolution. The annual coinage of late years, is about 12 millions of dollars.

There are at present, seven mints in operation. As there is a characteristic difference in the value of their coins, it will be interesting to know in what proportion they severally contribute to the annual sum of Mexican coinage. The returns of 1836 and 1837, are here given.

MINTS.	1836.			1837.		
	GOLD.	SILVER.	TOTAL.	GOLD.	SILVER.	TOTAL.
Mexico, . .	\$20,000	\$734,000	\$754,000	\$10,000	\$516,000	\$526,000
Zacatecas, .	None.	5,460,000	5,460,000	None.	5,238,000	5,238,000
Guanajuato, .	171,000	2,341,000	2,512,000	151,000	2,857,000	3,008,000
Potosi . .	None.	1,099,000	1,099,000	None.	1,111,000	1,111,000
Durango, .	359,000	1,063,000	1,422,000	207,000	721,000	928,000
Guadalajara, .	23,000	561,000	584,000	13,000	567,000	580,000
Chihuahua, .	None.	224,000	224,000	None.	225,000	225,000

It appears then that they rank in the following order: 1. Zacatecas, 2. Guanajuato, 3. Durango, 4. Potosi, 5. Mexico, 6. Guadalajara, 7 Chihuahua.

[Continued on p. 553, March No.]



## BANK ITEMS.

**BANK OF KENTUCKY.**—The Supreme Court of Pennsylvania, *in banc*, was occupied the greater part of last week, in listening to the arguments of several of the most eminent lawyers of the State, in the important suit for the last ten years, pending between the Bank of Kentucky, and the Schuylkill Bank of this city. The case is one of great magnitude, involving over one and a quarter million of dollars, and if decided in favor of the Kentucky Bank, completely sweeps off the entire property of the Schuylkill Bank. If, on the other hand, the decision should be against the Kentucky Bank on the merits of the issue, the stock of the Schuylkill Bank, now quoted at from \$3 to \$5 per share, will be worth in real value, about \$35 per share, and, with the advantage of a charter running to 1854, which is whole and unbroken, would probably be worth on the market at least \$40 per share. The cause of litigation, as the public know, grew out of the extensive frauds of Levis, the Cashier of the Schuylkill Bank, and agent in the transfer of stock for the Kentucky Bank. The argument last week was an appeal from a decision in equity, in favor of the Kentucky Bank, by Judge King, who, we believe, heard the case, under a special act of the Legislature. The case has been elaborately argued, and with an ability that hath inspired the unfortunate holders of the Schuylkill Bank stock with the hope that all is not lost that is in danger.—[*Philadelphia Ledger*, 15 January.]

**BANK OF VIRGINIA.**—A. Milhado, Esq., was on the 2d January, elected President of the Branch Bank of Virginia at Norfolk, in place of E. J. Higgins, Esq., deceased.

**BANK OF ENGLAND.**—About two years ago, a clerk in the Bank of England lost his pocket book, containing a £1,000 note. A few days since, it was presented to the cashier, passed by him to the pay clerk, and paid in gold. The leading figure of the number of the note, was found to have been changed from a cypher to 9—, this being done, because the true number had been advertised and payment stopped. The several clerks concerned have been ordered to pay the money in the following proportions:—

The cashier who marked the note for payment, is ordered to pay £300, because four figures out of five agreed with the number of the stopped note. The inspector has to pay £150, because he handed the note to the cashier as a genuine note. The clerk who gave gold for the two £500 notes, has to pay £100, because he believed the person who came, to be a banker's clerk. The clerk who received "James Street," as a sufficient description, has to pay £100, because he did not insist on a fuller description. The clerk who originally lost the note, has to pay £350.

**STATE BANK OF INDIANA.**—James R. Shields, Esq., has been elected President of the New Albany Branch of the State Bank of Indiana, in place of Mr. Fitch, deceased; and Victor A. Pepin has been elected Cashier, in place of Mr. Shields, resigned.

**BANK OF THE STATE OF N. C.**—George W. Mordecai, Esq., was, on the first of January, 1849, elected President of the Bank of the State of North Carolina, in place of Duncan Cameron, Esq., resigned.

**BANK OF THE STATE OF S. C.**—The following gentlemen were elected President and Directors of the Bank of the State of South Carolina, in December last, by the two houses of the S. C. Legislature.

*President:* F. H. Elmore. *Directors:* S. L. Glover, P. M. Cohen, E. Carson, Thos. Lehre, Robt. Fishburn, R. G. Stone, Geo. Robertson, W. M. Lawton, F. R. Shackelford, R. Caldwell, Geo. S. Cameron.

There was no election for a twelfth director, Mr. W. C. Dukes and Mr. Steinmeyer having each received 93 votes.

**BANKS OF MASSACHUSETTS.**—The following Banks have increased their Capital Stock, under Acts of the Legislature of 1848.

	<i>Original Capital.</i>	<i>Addition.</i>	<i>Present Capital.</i>
Agawam Bank, Springfield, . . .	\$100,000	\$100,000	\$200,000
Barnstable Bank, . . . . .		50,000	50,000
Brighton Bank, Brighton, . . . .	200,000	50,000	250,000
Boylston Bank, Boston, . . . . .	150,000	50,000	200,000
Central Bank, Worcester, . . . . .	100,000	50,000	150,000
Chicopee Bank, Springfield, . . . .	200,000	100,000	300,000
Fitchburg Bank, Fitchburg, . . . .	150,000	50,000	200,000
Hampshire Manufacturers Bank, . .	150,000	50,000	200,000

#### NEW BANKS ESTABLISHED IN MASSACHUSETTS.

	<i>Capital.</i>	<i>Commenced Business.</i>
The Grocers' Bank, Boston, . . . .	\$250,000	September 12, 1848.
Holyoke Bank, Northampton, . . . .	100,000	September 1, 1848.
Mechanics Bank, Worcester, . . . .	100,000	October 6, 1848.
Newton Bank, Newton, . . . . .	100,000	October 14, 1848.
The Barre Bank, at Barre, chartered, but not yet in operation.		

**FARMERS BANK OF DELAWARE.**—Andrew C. Gray, Esq., of New Castle, has been elected President of the New Castle Branch of the Farmers' Bank of the State of Delaware, in place of Thomas Janvier, Esq., resigned.

**BANK OF NEWBURY.**—The Capital of the Bank of Newbury, at Wells River, Vermont, has been increased to \$75,000.

**MERCHANTS' EXCHANGE BANK.**—The charter of this Bank will expire in June next, but as steps have been taken to form an organization under the general Banking Law, it is presumed that no obstruction in the business of the institution will take place. Its capital is to be \$1,000,000, with the privilege to increase it to \$2,000,000, and to commence business as soon as may be after \$500,000 thereof is subscribed for and secured. The limitation of the Company is to the first of January, 1899. One of the articles of association provides that any of the present stockholders of the Bank, shall at their option be entitled to shares in the new institution to an amount corresponding with those that they hold in the present bank. The capital under its present organization, is \$750,000.—[*N. Y. Courier and Enquirer.*]

**BANK OF CALEDONIA.**—S. B. Mattocks, Esq., has been appointed Cashier of the Bank of Caledonia, at Danville, Vermont, in place of John A. Page, Esq., resigned.

**BANK OF BURLINGTON.**—Philo Doolittle, Esq., has been elected President of the Bank of Burlington, Vermont, in place of E. T. Englesby, Esq., who declined a re-election. Mr. E. had been President of the institution twenty-five years.

**BANK FAILURES.**—The Bank of Norwalk and the Bank of Sandusky, Ohio, have suspended specie payments. Their liabilities and coin were as follows, in November, 1848.

	<i>Circulation.</i>	<i>Deposits.</i>	<i>Specie.</i>
Bank of Norwalk, . . . . .	\$110,000	\$2,700	\$16,000
Bank of Sandusky, . . . . .	112,000	36,000	21,000

**NORTH RIVER BANK, NEW YORK.**—The resignation of Mr. A. B. Hays, Cashier of the North River Bank, which was announced this morning, and the reasons which led to it, have been the subject of much conversation to-day. The stockholders give out that he has been lending money to a party, without the sanction of the Board of Directors. The Bank some years ago made large loans to Mr. Steinberger, a drover and a large speculator in live stock, well known throughout the United States. The paper he first gave the Bank was of undoubted character, but it depreciated, and at the time of Steinberger's great failure, was such, that of a debt of \$100,000 due to the Bank, only \$60,000 was realized. This amount stood for some time, and was charged to profit and loss by the Bank, and the accounts squared.

It now appears, that Mr. Steinberger a second time made application to Mr. Hays, and obtained from him loans to a considerable amount, and, as we are informed, made without the assent of the Board of Directors. Steinberger, in order to obtain the loan, represented to Mr. Hays the certainty of profit that would attend the use of the money, and urging at the same time, that he would be enabled to meet a part of the old debt, \$40,000. The new debt of Mr. Steinberger amounts to about \$60,000, (besides the old debt,) and the debtor is now far on his way to California. The officers of the Bank, having some information of this transaction, took measures to secure the debt, but the Bank will lose on the new account about \$30,000, so far as can be ascertained. The balance is secured by the bonds of Mr. Hays, (\$18,000,) and a claim upon the Mammoth Hotel, at Fairfield, Ct., and in part by Mr. Steinberger.

Mr. Hays has been Cashier twenty-five years, and he is the oldest and best known Cashier in this city, and his course in thus loaning money, is the more inexplicable on that account. No one pretends to say, that this loan has been made by Mr. Hays for the benefit of any one, except the Bank, and a question arises, whether he has overstepped the discretionary power given to Cashiers in making loans. As the affairs of the Bank will be examined, and an official statement made, any farther account of the transaction is unnecessary.

[*N. Y. Express*, 18 January.]

**BANKS OF SOUTH CAROLINA.**—The following dates are given in an exchange paper, as the years in which the charters of the several Banks will expire, to which are added the par value of the stocks and the present amount of capital.

<i>Location.</i>	<i>Name.</i>	<i>Capital.</i>	<i>Par Value.</i>	<i>Charter Ex.</i>
Charleston,	Bank of Charleston, . . . .	\$3,160,800	\$100	1856.
"	Bank of South Carolina, . . . .	1,000,000	45	1855.
"	Bank of the State of S. C. . . .	1,123,353		1856.
"	Planters and Mechanics Bank, .	1,000,000	25	1853.
"	South-Western Rail Road Bank,	869,425	25	
"	State Bank, . . . . .	1,000,000	100	1855.
"	Union Bank of S. C. . . . .	1,000,000	50	1852.
Camden,	Bank of Camden, . . . . .	377,600	50	1855.
"	Branch Bank of the State of S. C.			
Columbia,	do. do. do.			
"	Commercial Bank, . . . . .	800,000	20	1853.
Cheraw,	Merchants Bank of S. C. . . .	400,000	100	1856.
Georgetown,	Bank of Georgetown, . . . .	200,000	25	1857.
Hamburg,	Bank of Hamburg, . . . . .	500,000	50	1856.
		<u>\$11,431,193</u>		

Bank Capital of Charleston, \$9,153,583, from which should be deducted the capital allotted to the Branches of the Bank of the State of South Carolina, at Camden and Columbia.

**ROBBERY OF THE AUGUSTA BANK.**—The Augusta Bank, (Maine,) was broken open between Saturday night, 30 December, and the following Monday morning.

The Augusta Bank is situated in the basement of the new hotel, which forms a part of a brick block recently erected on Water street. The hotel is unfinished and unoccupied. The vault of the Bank adjoins one of the lower rooms of the hotel, and is only separated from it by a brick wall one foot thick. The mortar used in the construction of this wall is comparatively green. The burglar first entered the room adjoining the vault, and with a small crowbar knocked away the bricks sufficiently to afford an entrance to the vault.

The plundered property was confined in a safe of most approved construction, secured by Hull's celebrated patent gunpowder lock. It was opened by a key which must have been prepared before the safe was put into the vault. When the plunder had been removed the safe was coolly locked again. In the hurry of leaving the building, a box containing some \$500 in specie was dropped outside, besides some \$50 in scattered pieces.

A more definite statement than that given above, makes the loss of the Bank \$21,562 in specie, of which about \$9,000 was silver, besides foreign bills amounting to about \$4,000, belonging to the Augusta Bank, and a package (value unknown) belonging to the Ticonic Bank.

The burglars have since been arrested and nearly all the money recovered.

**BRANCH MINT IN NEW YORK.**—The Common Council of New York City has authorized the special committee having this matter in charge, to visit the seat of government at Washington, for the purpose of urging upon Congress the necessity of establishing a mint in this city, and to negotiate with the authorities in relation to the same. This course was rendered necessary by certain information received by the committee from the representatives of this city. From what we have been able to ascertain, there can be but little doubt that if the proper measures are adopted, the bill will become a law at the present session. As the passage of this bill is demanded alike by the commercial position of New York, and the interest of our citizens, no consideration of pecuniary expense should deter the city authorities from prosecuting it with vigor.—[*New York Courier and Enquirer.*]

**AMERICAN STOCKS.**—[*From the Circular of Barings & Co. dated 29 December, 1848.*—The business has been limited during the past fortnight; the price of 98 per cent. ex. div., has been repeatedly paid for U. S. 6 per cent. stock ex. div.; but since the arrival of the steamer's letters to-day, holders refuse to sell at that rate. All State stock, and the market is scantily supplied, are firmly held at advanced prices, and it is not easy to quote rates at which purchases to any extent could be made.

### NEW YORK BANKS.

#### *Dividends of the New York City Banks, 1844—1849.*

NAME OF BANK.	Capital.	1844.	1845.	1846.	1847.	1848.	1849.
Bank of America, .	\$2,000,200	6	6	6½	7	7	Jan. 3½
Bank of Commerce, .	3,449,480	6	6	6	6½	7	" 4
Tradesmen's Bank, . .	400,000	10	10	10	15	10	" 5
Seventh Ward Bank, .	500,000	5	6	7	7	7½	" 4
Merchants Exchange, .	750,000	7	7	7½	8	8	" 4
North River Bank, . .	655,000	7	7	7	8	8	" 4
Phenix Bank, . . . .	1,200,000	6	6	6	6	6	" 3½
Chemical Bank, . . . .	300,000	.	.	.	.	.	" 6
New York Dry Dock, .	200,000	.	.	.	.	.	" .
Leather Manufacturers,	600,000	7	7	7	7	7	Feb.
Manhattan Bank, . .	2,050,000	.	.	6	.	6	"
Butchers and Drovers, .	500,000	7½	7½	9	10	10	"
National Bank, . . . .	750,000	6	6½	7	7½	8	April
American Exchange, .	1,155,400	5½	6	6	7	7½	May.
Bank of New York, . .	1,000,000	8	7	8	10	10	"
Bank State of N. York,	2,000,000	5	6	6	6	6½	"
Bowery Bank, . . . .	300,000	.	.	.	.	8	"
Mechanics Bank, . . .	1,440,000	7	7½	8	8	8	"
City Bank, . . . . .	720,000	7	7½	8	8	8	"
Union Bank, . . . . .	1,000,000	8	8	8	10	10	"
Mechanics and Traders,	200,000	7	7	8	9½	10	"
Fulton Bank, . . . . .	600,000	10	10	10	10	10	"
Greenwich Bank, . . .	200,000	.	.	.	.	.	"
Mechanics B. Asso. . .	632,000	7	7	8	3½	7	June.
Merchants Bank, . . .	1,490,000	7	8	8	8	8	"

25 Banks, Capital, \$24,092,030

*Dividends of the Baltimore Banks.*

NAMES OF BANK.	Capital.	1847.	1848.	1849.
* Merchants' Bank, . . . . .	\$1,500,000	6	6	Jan. 3
* Chesapeake Bank, . . . . .	340,577	6	6	" 3
Farmers and Planters Bank, . . . . .	600,625	7	7	" 3½
Union Bank, . . . . .	916,350	6	7	" 3
Western Bank, . . . . .	303,280	6	6	" 3
* Franklin Bank, . . . . .	301,950	.	6	" 3
* Farmers and Merchants Bank, . . . . .	393,560	6½	6½	April.
Marine Bank, . . . . .	310,000	7	7	"
Commercial and Farmers Bank, . . . . .	512,560	8	8	May.
* Bank of Baltimore, . . . . .	1,200,000	7	7	June.
Mechanics' Bank, . . . . .	590,844	6½	7	"
11 Banks, Capital, . \$6,974,646				

Those Banks marked with a star pay the taxes charged by the State and City. The others pay the State tax only, leaving their stockholders to be assessed individually.

*Bank Dividends, January, 1849.*

Bank of Kentucky, Louisville, . . . . .	2½ per cent.
Northern Bank of Kentucky, Lexington, . . . . .	4½ "
Bank of Louisville, Louisville, . . . . .	4 "
* Bank of Virginia, Richmond, . . . . .	3½ "
* Farmers Bank of Virginia, Richmond, . . . . .	3½ "
* Exchange Bank of Virginia, Norfolk, . . . . .	3½ "
Bank of the Valley, Winchester, . . . . .	4½ "
* Bank of the State of Missouri, St. Louis, . . . . .	5 "

\* After paying the State tax of ¼ per cent.

NOTICE.—We have in type an additional article upon "Grace on Sight Bills" from the *Code Reporter*. It is excluded this month by a press of other materials.

TO CORRESPONDENTS.—Our correspondent at Salem will find on reference to other pages of the "Legal Miscellany" that the *demand* of payment must necessarily be made on the third day of grace: but that the *protest* or preparation of the document may be made at a subsequent day.

Our correspondent at Smyrna, Delaware, will find the information sought for, in the copious articles under the head "Legal Miscellany," in which we believe all the material points with reference to demand, notice, protest, &c. of Bills of Exchange are fully discussed.

COINS AND COINAGE.—The copious information in our present No. in relation to Coins and the Coinage, will no doubt be acceptable to our Bank readers. We are largely indebted to a volume entitled "A Manual of Gold and Silver Coins of all Nations," by Messrs. Eckfeldt and DuBois, assayers of the U. S. Mint. This volume is richly illustrated by engravings of Coins, executed by the medal-ruling machine, and under the direction of Mr. Saxton of the Mint. These engravings are among the most beautiful specimens of the art in this country. As a historical and statistical work it possesses great value and should have a place in every Bank. Published at the Mint in Philadelphia, 1842.

## DEATHS.

AT NORFOLK, on Wednesday, 27th December, Eugene J. Higgins, Esq., President of the Branch Bank of Virginia.

AT NEW ALBANY, on the 29th November last, Mason C. Fitch, Esq., President of the New Albany Branch of the State Bank of Indiana, in the 52d year of his age. Mr. Fitch had been President of this Branch from its organization in 1834, till his death.

**Notes on the Money Market.**

NEW YORK, 27 JANUARY, 1849.

We have evidences of an increased activity in the Money Market, as well as in the various channels of trade. Stocks have generally advanced 2 or 3 per cent. since our last quotations, and there is a more buoyant feeling among business men.

We thought the *California* fever had reached its height in the latter part of December, but there is at this moment more speculation and more solidity in the movements with reference to the Gold Regions of that distant section. A large emigration is now taking place from the several Atlantic Cities for San Francisco, and heavy shipments are making of merchandise, household goods, &c.

We cannot arrive at this time, at any fair estimate of the amount of Gold to be realized in California. It is entirely a matter of speculation and doubt. The California regions may produce thirty millions during the year, or it may be only ten millions. The discovery of large quantities of Gold is destined to effect important changes in the commercial and financial condition of our country. It is hardly credible that these deposits, great as they undoubtedly are, will prove so much beyond any which have been previously discovered in any part of the world, and produce any sudden or violent change in the value of Gold.

Whether the emigration into the new region be fifty or five hundred thousand, and whether they will establish a regular system of government, or be more or less lawless, with crime as abundant as Gold, are questions deeply interesting, but to which answers must be too conjectural to afford any basis for satisfactory conclusions.

The Committee of Ways and Means of the lower house of Congress have reported a Bill authorising the coinage of gold dollars. We do not consider any change in our coinage as at all desirable by the business community. Our silver and gold pieces are sufficiently numerous already and meet the wants of the people. It is of far more importance to establish speedily a Branch Mint in California, so as to obviate the present necessity of shipping gold dust and transshipping coin.

A Bill has been introduced in the Senate of Kentucky to repeal existing laws against the circulation of bank notes under five dollars. At the same time a Bill has been brought forward in the Legislature of New Jersey to prohibit the circulation of small notes; all such legislation is superfluous. The laws of various States prohibiting the circulation of small notes, have been totally disregarded by the people. If the currency be unsound, the people will refuse it; and if it be sound, their own convenience will induce them to adopt it. As long as the note is convertible into coin it serves a good purpose. A metallic currency is now an exploded notion, a relic of the age of barbarism. The people of this country, utilitarian to the extreme in their measures, will not now substitute a currency of metals for that of bills of exchange and bank notes.

The Legislature of New York have a Bill before them to the following effect:

SEC. 1. Every draft or bill of exchange hereafter drawn or made payable at sight, shall be deemed and taken to be due and payable on presentment thereof, without grace.

SEC. 2. This act shall take effect immediately.

The Bill designating the holidays to be observed in the acceptance and payment of bills of exchange and promissory notes, names the 1st of January, the 4th of July, Thanksgiving and Christmas, as the days to be observed.

There is an increasing demand for money as the spring trade approaches. Paper of the best houses is sold in Wall Street at 7 to 8 per cent. Loans on prime securities at call, 6 per cent., and second rate paper 1 per cent. per month.

A large amount of the new government loan has been transferred to parties in Europe within the last month. Sales of U. S. sixes of 1868 at 109½. Sales of Maryland six per cents. at 95, being an advance of 8 per cent. in the last twelve months.

Exchange on London, 60 days, 109½ a 108¾.



THE  
BANKERS' MAGAZINE,  
AND  
State Financial Register.

Vol. III.

MARCH, 1849.

No. IX.

THE LAW OF POPULATION AND MORTALITY AS EVIDENCED  
IN THE HEALTH-REPORTS OF BALTIMORE, MD.

BY J. H. ALEXANDER, ESQ.

(Continued from p. 474.)

WANT of space in the last No. of this Journal compelled a postponement to the present one, of what remained to be said on this subject in relation to one of its most important aspects; namely, the *influence of Age* upon mortality. It is to be regretted that this influence cannot be expressed at once, and fully, by a statement of the relative mortality at the given ages. But for this, a population distributed according to the same ages is an indispensable element; and such a distribution we do not possess, nor can it be made otherwise than approximately and by tedious methods of interpolation, which I do not feel myself called on to execute. Even for the two census years, 1830 and 1840, included within the existing registers of mortality here, the form which has been thought sufficient for the returns of population, precludes a resort to them; for the colored population has been classed under much more extensive intervals of age, and at epochs not identical with the white. And if we would limit ourselves, upon these returns, to the relative mortality of one race—the white—alone, we are met by the difficulty in the municipal reports which, as to age at the time of decease, do not distinguish between races at all. If one is permitted to make a suggestion as regards both these documents, it would be to point out the importance (not only for a purpose like the present, but for any scientific application) of maintaining a systematic and uniform classification throughout. Thus, if any particular epochs are chosen for the enumeration of one race, the same should apply to the other; and distinction being made for sex and color in one aspect of general mortality, the

same distinction should be found in the statement of the age at which the mortality occurred. These elements of Sex and Race and Age are, as far as our present knowledge goes, in nowise correlatives; they are entirely independent.

In this state of documentary information, I am compelled then to resort to artificial methods for deducing the factor desired; which are at best but a partial substitute for direct ones; and whose result, only theoretically accurate in the case of a *stationary* population, (i. e. where the births and deaths annually are equal) is but approximate here. This, however, is not the only instance in physics or metaphysics where we have to be content with approximations.

The first step, then, is to ascertain the average proportionate mortality corresponding to each given age. For this, I have arranged the years in the same groupings as just now, and have indicated the average absolute and comparative results in the following

*Table shewing the average Annual Mortality and its proportion for different ages, at several periods.*

AGE.	ANNUAL NUMBER OF DEATHS.			PROPORTIONATE MORTALITY.			
	1826-31.	1833-40.	1843-48.	1826-31.	1833-40.	1843-48.	Mean.
Still-born, . . .	105	173	270	0,055	0,070	0,032	0,069
0 to 1 year, . .	426	539	792	0,225	0,240	0,240	0,235
1 to 2 " . . .	147	224	317	0,078	0,091	0,096	0,089
2 to 5 " . . .	172	239	345	0,091	0,097	0,105	0,098
5 to 10 " . . .	79	105	160	0,042	0,043	0,050	0,045
10 to 21 " . . .	113	137	169	0,060	0,056	0,051	0,056
21 to 30 " . . .	176	217	280	0,093	0,088	0,085	0,089
30 to 40 " . . .	193	244	299	0,104	0,099	0,091	0,098
40 to 50 " . . .	172	178	223	0,091	0,072	0,069	0,077
50 to 60 " . . .	119	124	145	0,063	0,050	0,044	0,052
60 to 70 " . . .	84	99	127	0,044	0,040	0,039	0,041
70 to 80 " . . .	57	75	99	0,030	0,031	0,030	0,030
80 to 90 " . . .	36	40	49	0,019	0,012	0,015	0,015
90 to 100 " . .	7	8	13	0,004	0,003	0,004	0,004
100 and over, . .	3	4	5	0,002	0,002	0,002	0,002

The latter columns of this table shew how the increased mortality of the last six years, which we have already had occasion to notice, has been distributed; it has fallen altogether upon the period before and about puberty. From the age of 21 years and upwards, the mortality has been sensibly diminished. I shall not stop now to comment upon this fact, that the stress of mortality is bearing with progressive force upon our indigenous population.

The proportion of still-born infants to the unitary mortality, assuming that to be the equivalent of the births, is, if we take the mean, above what has been recognized for European cities; as will appear by the following statement:

Place.	Still-born Infants.	Place.	Still-born Infants.
Strasburg, . . . . .	1 in 11	Vienna, . . . . .	1 in 24
Hamburg, . . . . .	1 in 15	London, . . . . .	1 in 27
Amsterdam, . . . . .	1 in 16,9	Stockholm, . . . . .	1 in 36
Dublin, (lying-in hospital)	1 in 17		
Dresden, . . . . .	1 in 17	Mean, . . . . .	1 in 20
Paris, . . . . .	1 in 17,7		
Berlin, . . . . .	1 in 19,8	Baltimore, . . . . .	1 in 14,5

This last number, however, to be reliable, should be derived from a register of actual births. I may add that the proportion in this respect, usually accepted among statistes, is for cities, . . . . . 1 in 18; and for rural districts, . . . . . 1 in 30. This disparity has been attributed by some to the compliance of females during gestation to one of the prejudicial fashions in cities—tight lacing. No doubt this is one particular, among many others that could be enumerated, by which the general habit of life in the country is more favorable to a robust and healthy developement, than in towns. A more important element of the present disparity, however, appears in the difference of numbers in the illegitimate births in town and in country, and the greater liability of illegimates to be still-born. In illustration of the first point may be taken the census returns of France for the year 1831; in which there appears as the average of the whole kingdom, . . . . . 1 illegitimate for 13,2 legitimate births, while for Paris the average was 1 “ “ 1,9 “ births.

I am very far from saying or thinking that this difference is manifested in other countries, where the social precepts in this respect are more positive.

The proportion of still-born infants appears on an average, in Europe, to be 3 in illegitimate for 1 in legitimate birth; and this, I apprehend, would be found to hold here.

The mortality of mothers at accouchement, is an interesting point connected with what we have been considering; and it is much to be desired that there were more data upon it. I have already adverted to the great mortality of females during the age of fecundity, of which child-birth is an important element. Hitherto the information upon this, has been derived from the reports of lying-in hospitals; where so much depends upon the administration, as to leave a wide margin of variation. As far as can be judged from the hospitals of London, Edinburgh, Dublin and Paris, under their later regime, the average mortality of mothers at such occasions, may be stated, at a mean, as 1 in 100; and the comparative mortality of mother and child under the same circumstances, may be taken as 1 to 3. But these proportions will hardly be expected to apply to the mass of cases which occur amid the greater comforts (mental, if not bodily) of domestic appliance and the always greater attention of friends at home.

I return now from this digression to the establishment of the factor for relative mortality at different ages. The last column of the table just given, shews the mean proportion of the dying *to the dead*; the next step is to determine their proportion *to the living*. The product of the mean proportion at each age with the average annual mortality, gives the average annual number of deaths corresponding; and the continual subtraction of these numbers from the aggregate and successive remainders, leaves a column of *survivors*, from which it is easy to distribute a population (supposed stationary) according to the periods of survival. The proportion, then, of the successive differences of the numbers thus distributed to the numbers themselves, is the relative mortality required. It is upon this method that I have constructed the following Table.

*Table of mean Relative Mortality according to Age.*

AGE.	Mean annual mortality.	Population distributed.	Dying in the interval.	Mean relative mortality, annually.
0 — 1 year, . . .	786	21336	6485	1 in 3,3
1 — 2 “ . . .	230	14851	1898	1 in 7,8
2 — 5 “ . . .	254	12953	2095	1 in 18,6
5 — 10 “ . . .	116	10858	958	1 in 56,5
10 — 21 “ . . .	145	9900	1196	1 in 91,3
21 — 30 “ . . .	230	8704	1897	1 in 41,4
30 — 40 “ . . .	253	6807	2088	1 in 32,6
40 — 50 “ . . .	199	4719	1642	1 in 28,8
50 — 60 “ . . .	135	3077	1113	1 in 27,6
60 — 70 “ . . .	106	1964	875	1 in 22,5
70 — 80 “ . . .	78	1089	643	1 in 17,0
80 — 90 “ . . .	39	446	322	1 in 14,0
90 — 100 “ . . .	10	124	83	1 in 14,0
+	5	41	41	1 + n
Aggregates, 2586		96869		1 in 37,45

This table shews very distinctly what was intended by the *influence of Age* on mortality, and the greater or less probability of death according to the different periods. The numbers in the last column are, in fact, the ordinates for the curve of life, of which I spoke before; and may be employed for the graphic construction of such a curve.

The numbers employed are the aggregates of twenty years; but in order to shew the comparative relations of mortality here at different intervals, and to render them more readily comparable too with statements that have been made for other places, I offer the following

*Table of Survivorship and Probable Life for successive periods.*

AGE.	AGGREGATE MORTALITY.			SURVIVORS.			PROBABLE LIFE.		
	1826-31.	33-40.	43-48.	1826-31.	33-40.	43-48.	1826-31.	33-40.	43-48.
0	3183	6096	6375	100000	100000	100000	years. 11,8	years. 5,3	years. 2,2
1	881	1790	1900	71993	68973	67792	29,8	25,7	23,8
2	1032	1909	2071	64241	59862	58180	31,4	29,5	26,2
5	473	842	958	55161	50146	47714	32,8	31,4	31,0
10	632	1022	942	50999	45860	42972	29,6	28,5	28,6
20	1105	1819	1750	45436	40657	38111	22,8	21,6	21,6
30	1191	1949	1798	35715	31399	29268	18,1	18,0	18,0
40	1033	1426	1368	25235	21479	20181	15,6	16,9	17,2
50	713	989	867	16146	14221	13267	14,1	15,1	16,0
60	502	792	762	9872	9187	8885	11,7	11,8	12,0
70	345	597	592	5455	5156	5034	9,0	8,5	8,4
80	216	322	294	2419	2117	2042	6,4	6,5	7,0
90	40	63	80	519	478	556	.	.	.
100	16	21	27	167	158	152	.	.	.
110	2	9	3	26	51	15	.	.	.
120	1	1	0	9	5	0	.	.	.

The numbers in the columns of probable life are not extended beyond 80 years; because at that age they tend to become stationary. It is usual, in tables of mortality hitherto, to adjust the rates at the close of life so as to avoid their apparent irregularity and caprice, and to shew an uniformly decreasing progression. I have not thought it proper to resort to any artifice of this sort. Besides, the columns of

survivors show in fact the distribution. Thus, from the experience of the first period, if the laws which governed then were permanent, out of 100000 persons born at the same instant, there would be 9 who should have survived to the age of 120; in the second period, there were only 5 chances out of 100000 for the attainment of such an age; in the last, all would die before that age. It appears, then, that the absolute longevity has diminished here, in twenty years; though the chances of life for middle and mature age have improved. For infants, and especially at birth, they have materially diminished; and in this respect approach more nearly what has been observed in the larger European cities. Thus the probable life at the moment after birth is in

<b>Carlisle, (Eng.)</b>	. . . . .		<b>41,1 years.</b>
<b>Chester, (do.) for females,</b>	. . . . .	<b>23,0 y.</b>	<b>} 22,6 "</b>
<b>          males,</b>	. . . . .	<b>17,2</b>	
<b>Breslau, (Silesia) Baily,</b>	. . . . .	<b>11,4</b>	<b>} 12,1 "</b>
<b>          my own reduction,</b>	. . . . .	<b>12,7</b>	
<b>Northampton, (Eng.)</b>	. . . . .		<b>7,9 "</b>
<b>Norwich, (do.)</b>	. . . . .		<b>4,9 "</b>
<b>London, . . . Price,</b>	. . . . .	<b>3,6</b>	<b>} 3,2 "</b>
<b>          Baily,</b>	. . . . .	<b>2,9</b>	
<b>Berlin, . . . . .</b>			<b>2,7 "</b>
<b>Stockholm, - for females,</b>	. . . . .	<b>2,4</b>	<b>} 2,2 "</b>
<b>          males,</b>	. . . . .	<b>2,0</b>	
<b>Vienna, . . . . .</b>			<b>1,6 "</b>
<b>Baltimore, average of 20 years,</b>	. . . . .		<b>6,4 years.</b>

This *probable life* must not be confounded with what the English writers generally term the *expectation of life*. It is in point of fact only the number of years elapsing from a given age until the living at said age shall have been reduced to one-half. It is obvious that during such a lapse, the chances of any individual of the given age for surviving are more than even, i. e. his life is *probable*; when the numbers of living and dead from the given age are equal, the chances are even; after that, they become in this aspect unfavorable. But the expectation of life, or more properly the *mean life* of any individual, is the number of years given by the proportion of all the chances to the favorable ones. If out of any community, the same number of persons died every year, then the mean life and the probable life would be equal. I have not calculated the mean life for the preceding table; because in order to give it directly, the intervals and corresponding numbers should be annual. It is not accurate to calculate it from 10 to 10 years, unless under the assumption that the mortality of the interval is regular, which is not in fact the case. I have made such assumption, it is true, even for the probable life; but here the inaccuracy is less in theory, and besides, for purposes of comparison like the present, it is immaterial.

The data which I have presented are, to be sure, sufficient for the construction of a table in which the number of annual survivors should be given; which is, in fact, the form of the ordinary life-tables. But as the calculations for it are mere toil, without novelty in the methods, and with foreseen results, they have no interest for me. I have only resorted to them for the purpose of establishing the term of 20 years as in the preceding table, instead of 21 years for which the numbers are

given by direct observations. As there is no particular importance to be attached to this last term, and certainly none in its relation to mortality, it would contribute to symmetry and a more ready application, if the former were substituted in future in our Health-returns.

In making this interpolation, I have used the elements of the common parabola, a curve to which that of life plainly conforms. If any one should be tempted to construct a Table of Mortality for each year, circular elements might be employed for the whole reach from 10 years upwards; or without material error, the numbers may be interpolated by the method of which I have already spoken, taking them three by three from 100 years downwards. At that remote period, it would not be surprising if the anomaly already indicating itself in the tables should be manifested by a *decrease* of survivors for some of the younger lives. This, although it has been sedulously avoided or corrected by previous computists, I am inclined to regard as an evidence of periodical variations through the whole extent of human life.

In connection with this question of periodicity, it is much to be desired that some of our surgeon-accoucheurs whose experience must furnish them with the means, would give the results of observations on the human fœtus at different periods of gestation, principally in respect to its developement and its liability at one time more than another to fatal accidents. It is generally assumed, for instance, that the fifth and seventh months after conception, are more critical than the sixth and eighth. If these or some other terms should be so established (of which there is very little reason to doubt) upon a sufficient number of reliable observations, there would then be data for analogy between human life *before* and *after* birth; and the parallelism or concurrence of both would lead to an important generalization, for we could then continue the curve of life below the zero point and, so to speak, examine its negative equations. At present, I believe, we are wholly without elements for this end. I may be permitted to observe that it is not so much the medical relations which is desirable—not a discussion of proximate or final causes—as the simple establishment of the facts and terms. The aspect in which the laws of mortality are presented to the scientific inquirer, is less *why* men die, or *how* they die, than *when* they die; and the aim of the research, overlooking the fatalities or the casualties of single individuals, it is to discover and demonstrate in a comprehensive generality the laws or the accidents of the *average Man*—of man considered as the type of a class (and that the highest) of beings inhabiting the earth. For this, we observe him during his period of voluntary activity while living; we study him after his death: the complement of the research is to study him also before his birth.

In this general aspect, then, a topic that has been already adverted to in the beginning of this article and is included in our Health-returns, viz. the prevalence of particular diseases, either uniformly or occasionally—becomes of less importance. Nevertheless as sickness and suffering are the aids and precursors of mortality, and as divers diseases affecting a locality may be regarded as *artificial* (i. e. removable by effort and skill) this point too must properly find a place in any discus-

sion of the laws of mortality and population: and I propose hereafter to offer some special remarks upon it.

I had intended to have presented with what has gone before some comparisons illustrating the *influence of the means and cost of subsistence* upon mortality; but I found upon nearer inquiry that such comparisons were not to be made short of an inspection, for the express purpose, of the weekly markets for the last quarter of a century—a labor for which I had not the leisure. Nor would the result, if I had taken the pains to arrive at it, have been proportionate to those pains; for it is admitted in general that sickness and death always occur in greater degree as provisions become more scarce and dear. I am not aware of the ratio between the two having ever been numerically ascertained; though there is no doubt of its existence.

Equally undoubted is the *influence of morality* upon population. And this, not only because vice tends to shorten the life of its devotees themselves; but that the children of vicious parents are born with enfeebled constitutions and with the proclivity to disease. They thus take up and carry on the curve of decreasing stability of life; and numerical observations would enable us to calculate when, of two communities originally equal in population but with different indexes of the developement of crime, the populations respectively will bear to each other any given ratio. It is to be regretted that we have not here the data for expressing the occurrence of crimes in our population; it would be desirable that some of the functionaries of the City Court and of the Mayor's Office would charge themselves with the record of the physical circumstances, age, sex, season of the year, &c. which attend the trials, convictions or examinations at the several tribunals. There appears good reason for believing, upon observations made elsewhere, that the inclination to crime follows strictly (but inversely) the law of mortality, as far as that is influenced by age. When the vital powers are the strongest and most active, then the tendency to crime is the most manifested. The character and enormity of the crimes committed also follow the epochs of age more regularly and even minutely and with less reference to what may be termed *opportunity*, than a superficial observer might be inclined to conclude. Thus in the distinction between crimes against *property* and those against *persons*, the first find their greatest developement (in tendency, though not in success) about the age of puberty, when the probable duration of life is the greatest; the latter exercise their sway at a later period, when the physical system is in greater vigor and the passions more violent. These considerations point to the proper remedy, viz. the establishment of a House of Refuge for juvenile offenders who are but following the impulse of a general law and bearing the fruit which such seed as was sown might be expected to yield. For them the jails and penitentiaries—receptacles for adults, hardened or abandoned—are too austere; the defensive implements of society, they overshadow individual charity and contribute nothing to social amendment: the young offender, obeying in so far the evil law of his existence, needs an asylum where he can be instructed, and if possible, reformed. By *instruction* here, I do not mean in the elements of reading and writing; which seem to close the scope of



divers well-meant and philanthropic endeavors; but which, in proportion as the mass of the population does not improve in morality, become only stimulants and aids to crime. Farther, on this point: the establishment of such a House would be followed, in the next twenty years, by a visible decrease in the relative mortality of our city; which is the only connection that suggested a reference to it here.

Finally, I present a resumé of the principal conclusions which have been numerically sustained in the course of this research; together with a suggestion of points for which new or additional data are desirable. It appears then, that

1°. In an increasing population, the ratio of increase is *geometrical* (i. e. a progression by quotients); and during long periods, such ratio varies but slightly. Thus, taking the whole United States—a country, the rapidity of whose peopling has been more remarkable than that of any other—the difference between the greatest and least decennial ratio, for a half century, is less than  $\frac{1}{2}$  of one per cent. per annum. In Baltimore this difference is  $\frac{1}{2}$  of one per cent.; which serves among other things to shew that the greater the area and the larger the population, the nearer also is the uniformity of progressive increase.

2°. On the other hand, the variation of ratio has always been, both in the U. S. and in Baltimore, in the sense of diminution; serving to shew the tendency of population to become *stationary*. It perhaps shews more than this; which however is the condition upon which the theory of population most conveniently reposes, and which accords the most thoroughly with our ideas of the ultimate uniformity (however phasing itself in vast, revolving cycles) of the laws of nature.

3°. This cyclical property manifests itself in a recurrence, after certain periods, of the same or nearly the same factor of relative annual mortality in communities; and these periods correspond also with marked crises in individual mortality. The circulating period, in Baltimore, appears to be 15 years. This therefore is the shortest term for observations upon which any reliable induction can be established.

4°. Restricting ourselves to this particular locality, the mortality of Baltimore corresponds with what might be anticipated from its position on the globe, in that particular (*latitude*) which most affects climate.

5°. The influence of the *seasons* is very manifest and accordant with the mean climate. The nearer the condition of the atmosphere in density, temperature and moisture, is to its normal state, the less is the mortality. For the electric changes in the atmosphere, there are as yet no data; but they may be supposed generally involved in the other indications mentioned. The maximum of mortality occurs here in July—August, the minimum in April—May, with considerable regularity.

6°. In regard to the two *races* constituting the population of Baltimore, the whites may be said to have 16 per cent. greater stability of life (other things being equal) than the blacks.

7°. Considering only *sex*, the females dying in any given time are but three-fourths of the number of males.

8°. In respect to *age*, (taking both races together) the probable life in Baltimore, at the moment after birth, is  $6\frac{1}{2}$  years nearly; being the dou-

ble of what it is in London; and nearly three times the average probable life at the same epoch in Berlin, Stockholm and Vienna.

9°. The probability of life *before* birth, estimated upon the proportion of still-born infants, is but seven-tenths of what it is in the average of the principal European cities, and one-half of what it is in London.

10°. The probability of *longevity* here, is diminishing in the last quarter century.

11°. So also the probability of life before puberty, is lessened in the same period.

12°. Conversely, the probability of life at mature age is increased. These conditions, so far as political economy is concerned, are advantageous; for that community is the most favorable to developement and prosperity, where the chance of life is the greatest for the period of activity and usefulness. This is manifestly a more important practical index than others that have been hitherto resorted to; as, for instance, the "probable life" of Halley or the "mean life" of Bernouilli.

To complete an accurate and satisfactory research into this subject it would be necessary to alter and add to our Health-returns in the following chief particulars:

1. Distinction should be made in the number of deaths according to ages between the *sexes*; between the *white* and *black*; and between the *free* and *slave* blacks. We should thus have (what we require and what would imply but little additional labor in the Health-department,) the *color, caste, sex* and *age* of each individual who dies.

2. The enumeration at 21 years is merely an accidental circumstance in our polity. It has nothing to do with the law of mortality; further than to complicate and incommode the numerical relations of the series whose symmetry it breaks into. For it, the term of 20 years would be advantageously substituted.

3. A new epoch, that of 15 years, should if possible be introduced in the discrimination of the ages at which the mortality is recorded. This epoch, corresponding very nearly with the moment when the average stability of individual life is the greatest, constitutes a limit of great interest to be observed; and as its period, too, fits in with that of an apparent cycle in the relative mortality of our own community, it is invested with a fresh importance.

It would be a matter of interest to have other additions also made among our municipal returns—such as, for instance, the statistics of *crime* with reference to the color, sex and age of the culprit, and particulars which have been already indicated more at length. But changes of this sort are hardly to be expected, except from the research or industry of individuals, until the progress of knowledge shall have made their importance more manifest. To like sources (whose scope of usefulness in this respect is daily increasing in the formation of Societies for one purpose or another,) we must look for the results of observations on other physical points (average *stature, weight, rate of respiration, rapidity of arterial circulation, nervous irritability, muscular strength, &c. &c.*) which not only belong to the vast physiological field of the study of Man as an organized creature, but are important elements also in this part of it which we have just been surveying—his Reproductiveness and Mortality.

ON THE PRODUCTION OF GOLD AND SILVER AND  
ITS FLUCTUATIONS.

BY BARON ALEXANDER VON HUMBOLDT.

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According to Herodotus (iii. 106) the richest productions have been assigned to the ends of the earth, in the unequal distribution of the wealth and treasures of the soil. This assertion is made not only upon that mournful sentiment, belonging to the human race, of happiness being always at a distance; but it expresses the fact that the Greeks, inhabiting a temperate zone, received in their commerce with other people, gold and spices, amber and tin, from countries far remote. In proportion as the commerce of the Phenicians, of the Edomites on the gulf of Akaba [Ezion-geber\*] and of the Egyptians under the Ptolemies and the Romans, lifted slowly the veil which had so long hung over the coasts of Southern Asia, were received at first hand the products of the torrid zone; and men's lively and active imagination continually carried farther and farther east, the deposits of the metallic treasures of the earth. Twice, at epochs so important to commerce, (that of the Lagides and of the Cesars) as well as at the close of the 15th century, during the Portuguese discoveries, the same people, the Arabs, showed to the West the route to India. At this moment, Ophir (the El-Dorado for Solomon) was pushed to the east of the Ganges. There, was imagined to be that *Chrysos*, sought so long by the travellers of the middle ages and regarded, now as an island, now as a district of the Golden Chersonese. The quantity of gold which Borneo and Sumatra still put in circulation, according to John Crawford, accounts for the ancient fame of this region. Close by *Chrysos*, country of *gold* and aim of Indian adventurers, must be found, by necessary relation and a sort of symmetry, according to the then ideas of systematic geography, a country of *silver*, an island, *Argyros*; as if to blend the two precious metals—the riches of Ophir and of Iberian Tartessus [Tarshish.] The geographical myths of classic antiquity are reflected, but with varying phases, in the geography of the middle ages. In the system of the Arab Edrisi and Bakoui, we find at the extremity of the Indian Ocean, an island *Sahabet* with sands of gold; and beside it, *Saila* (which must not be confounded with Ceylon or Serendib) where the dogs and monkeys wear golden collars.

To this idea of *remoteness*, was joined another, as a characteristic sign of the veritable country of gold and of all the precious products of the earth, viz. that of *tropical heat*. "Until your Excellency shall have been finding men who are black," writes in 1495, a Catalan lapidary, Jaime Ferrer, to the admiral Christopher Columbus, "you need not expect any great things nor veritable treasures, such as spices, diamonds or gold." This letter has been recently found in a book printed at

\* Passages and words in brackets are the Translator's.

Barcelona, in 1845, bearing this singular title: *Sentencias Catholicas del divi poeta Dant.* [Catholic Maxims of the divine poet, Dante.] The richness of the gold mines of the Ural, which extend in the northern basin of the Volga up to where the ground hardly thaws in the summer months; the diamonds which have been discovered, near 60° N. latitude, on the European slope of the Ural, by two of my companions in the Expedition, which I made in 1829 by order of the Emperor Nicholas,\* do not, to be sure, exactly support the hypothesis that would connect the existence of gold and diamonds on the one hand, with the heat of the tropics and colored races on the other. Christopher Columbus, who attached a moral and religious value to gold, since, (says he,) "the possessor of it attains every thing in this world and even can open" (no doubt, by paying for masses,) "the gate of paradise to many a soul,"† Christopher Columbus, I say, was altogether a partisan of the system of the lapidary Ferrer. He looked for Zipangou (Japan) which then was passing for the golden island Chrysos; and when on 14 November 1492, he was coasting along the island of Cuba, which he considered a part of the continent of Eastern Asia (Cathay), he wrote in his journal: "Judging by the *great heat* which I am suffering, the country must be rich in gold." It was thus that false analogies made men forget what classical antiquity had told us of the treasures in metal of the Massagetæ and the Arismaspi in the extreme north of Europe; I say, of Europe,‡ for the flat and desert country of Northern Asia, the Siberia of modern times, passed then with its forests of pine, for a monotonous continuation of the low countries of Belgium, along the Baltic and of Sarmatia.

If we glance at once over the whole history of the commercial relations of Europe, we see that antiquity seeks in Asia for the richest sources of gold; while the middle ages and the three centuries since, place them in the New continent. But in fact, and since the commencement of the 19th century, it is once more in Asia, but only in a different zone, that these richest sources spring. This change in the direction of the current, this compensation which accidental discoveries in the north afford, when in the south the extraction of this metal seemed suddenly to fall off, calls for a grave and deep research founded upon numerical data; for in political economy, as well as in the study of physical phenomena, *numbers* are always the most decisive element; they become judges, without appeal and inflexible, of the causes so variously reasoned by political economists.

We learn from the profound researches of Boëckh|| how, when the Persian wars and the expedition of Alexander to India, had broken down the barriers of the East, gold accumulated by degrees among the

\* Reise nach dem Ural, etc. [Journey to the Ural, the Altaï and the Caspian Sea; by A. v. Humboldt, G. Rose and G. Ehrenberg,] t. i. p. 352—373.

† *El oro*, (writes Columbus to Queen Isabella,) es excellentissimo, con el se hace tesoro y con el tesoro quien lo tiene, hace quanto quiere con el mundo y llega a que hecha las animas a paraiso. See upon this gold-eulogy my *Examen Critique*, etc. [Critical Review of the History of Geography and the Progress of Nautical Astronomy during the 15th and 16th centuries, in fol.] pp. 88 and 131.

‡ Herodotus, iii. 116.

|| *Economie Politique des Atheniens*, vol. i. p. 6—31.

European Greeks; how in the times of Demosthenes, for instance, the precious metals were worth five times less than in the days of Solon. The current then was from the east to the west; and the influx of gold was so great that while, when Herodotus lived, the ratio of gold to silver was as 1 : 13, it became at the death of Alexander and for a hundred years after, as 1 : 10.\*

The less general and extensive were commercial relations in the ancient world, the more great and sudden must, of course, have been the variations in relative value of gold and silver. Thus, in Rome, we find that in consequence of a local accumulation of one of the precious metals, a little while after the conquest of Syracuse, the ratio of gold to silver was as 1 : 17½; while under Julius Cæsar, it fell for some time to 1 : 8½. Also the less the quantity of one metal existing in any country, the more easy it is to produce these enormous fluctuations by an importation from abroad. The world at present, by the universality and promptness of relations which must balance throughout, and by the magnitude of the existing quantities of gold and silver, tends to maintain a stability in the relative value of the two metals. After the wars of Independence, the product in metal of Spanish America continued for some years to be only the third of its previous annual mean; and yet it is not to this circumstance even, that we are to attribute the slight oscillations which are manifested here and there. It is quite otherwise with the ratio of silver to another metal which has been obtained as yet only in small quantity, and which is besides very unequally distributed—I mean, *platinum*.

We do not find among the ancients any statistical data indicating some general result to be compared with what we know of the actual metallic product of entire countries. Their administrative policy offered none of those controls which the complex and refined tariff-system of the Arabs—that commercial people, who calculated every thing and tabulated all—communicated in after-times to the States of southern and western Europe. The assertion of Pliny (xii. 18,) that the commerce with India, Serica, [China] and Yemen was drawing every year from the Roman Empire a hundred million sesterces in the precious metals, that is to say, according to Letronne, estimating these sesterces according to the value of silver at that epoch, 33000 mark-weights of silver; (the half only of what the silver mines of Saxony produce annually)—this assertion is isolated and problematical.

In this defect of general results, it would be important to have numerical instances of the partial wealth in money of certain mining districts; which we might compare with the yield of similar regions now, weight for weight in an absolute sense, and without considering gold as the measure in value of determinate quantities of cereal grains. The treasure which a sovereign leaves as the fruit of conquest or of long exactions, testifies only what may have been accumulated over an indefinite extent of country and in a period which we cannot count.

\* See the learned rectification of the monetary hypothesis of Garnier by Letronne: *Considerations, &c.* [General Considerations upon the value of the Greek and Roman Money.] 1817, p. 112.

Results of this last kind may, however, be compared with the data which statisticians venture to give upon the quantity of precious metals existing in a State at some certain epoch. Thus Cyrus, in the account of Pliny (xxxiii. 15,) collected from his conquest of Asia, 34000 pounds of gold, not counting what had been converted into plate; and yet this quantity hardly equals the fruit of two years' work in the mines of the Ural. Again, Appian, upon documents, estimates the treasure of Ptolemy Philadelphus at 740000 talents; that is to say, 700 millions of Spanish dollars, if they were Egyptian talents, or 180 millions if they were the smaller talents of Ptolemy. "This assertion seems fabulous" says the celebrated author of the *Political Economy of the Athenians*, "but I do not venture to question the veracity of the historian. In this treasure was a large quantity of gold and silver manufactured. The States of this Prince were entirely exhausted; imposts and taxes were extorted by greedy farmers-general with arms. The revenues of Cœle-Syria, Phenicia, Judea and Samaria, alone, were farmed out by Ptolemy Evergetes for 8000 talents; and a Jew bought them at a hundred per cent. advance." Mr. William Jacob, in an excellent work published at the request of Mr. Secretary Huskisson, under the title of *Historical Enquiry on Precious Metals*, (vol. i. p. 23,) confirms the assertion of the great German philosopher. The higher of the two estimates above would approach the quantity of coin actually in circulation in France and Belgium; the lower would nearly equal the coin circulating in England.\* According to Strabo, Alexander succeeded in collecting at Ecbatana 380000 talents.† It must not be forgotten, that whilst now, the precious metals are spread more equally over great extents of country and among dense populations; then, they were concentrated at a few points of the earth and in the treasuries of sovereigns.

Undoubtedly, the great quantity of gold which was pouring westward, came from the interior of Asia, from the north-north-east of Ladakh [Western Thibet] from the upper part of the basin of the Oxus‡ (between the Hindoo-Khosh and the highlands of Pamez, on the western slope of the Bolor) from Bactriana and the eastern satrapies of the Persian Empire; but it is easier to determine the direction of the current

\* From the researches of Mr. Michel Chevalier, (Letters on N. America, v. i. p. 394) the coin circulating in France, is valued at 3000 millions and, in England, at 1000 millions of francs. Neckar had before estimated the circulation of France at 2200 millions of francs; while Adam Smith rates that of Great Britain at 30 millions of pounds sterling only. In the Prussian States, the circulation is, according to Hoffmann, only from 90 to 120 millions of thalers. The minting in Prussia from 1764 to 1836, of all kinds of coin, including the fifteenths of a thaler, amounts, subtracting what has been withdrawn during that time by the mint itself, to 182,856,020 thalers. (Die Lehre von Gelde, [Science of the Mint, by J. G. Hoffmann,] 1838, p. 171.) The assemblage of such large sums as these may throw some light upon the data left us by antiquity.

† The treasure left by Cyrus was almost three times as large as this. Pliny (xxx. 3,) values it at 500000 talents in gold and silver. As this treasure may have diminished considerably after the death of Cyrus, Sainte-Croix (*Examen Crit. des Historiens d' Alexandre*, p. 429,) concludes that the whole of the precious metal which the Macedonian collected in Persia, amounted but to 330000 talents. Upon the almost unexampled concentration of precious metals in Italy, under the Cæsars, see Letronne, u. s. p. 121.

‡ Burnes: Travels in Bokhara, v. ii. p. 265.



of specie than the particular position of its different sources and their relative abundance. The place where grew the story of the gold-guarding *ants*,\* scattered over the mountains of Derden, must be far off from the griffins of the Arimaspians. This story seems to belong to the plains of Kaschgar and Askou, between the parallel chains of the celestial mountains [the Thian-chan of the Chinese and Mouzdagh of the Turks] and of the Kouenloun where the river Tarim pours itself into the Lop. We shall recur presently to the Arimaspians dwelling much farther to the north, when we come to speak of the great masses of gold found in the Ural, immediately under the surface. The fame of the riches of India echoed even as far as Persia; to be there, it is true, very often misinterpreted. Ctesias,† of the family of the Asclepiades, the physician of Artaxerxes Mnemon, describes, almost without being aware, under the image of a fountain of gold, an actual furnace whence the fluid metal run into vases, i. e. into clay moulds. Nearer to the Greeks were found Lydia channelled with rivers that flow from the Tmolus, Phrygia and Colchis, districts rich in gold. The nature of the auriferous soil here, so easy to exhaust, explains to the practical miner how some of these countries visited again, seem barren to the explorer. If for instance now, one were to examine the ravines and vallies of Cuba and of S. Domingo, or even the coast of Veragua, how difficult, without the historical evidence which we possess, would it be to believe the richness of the mines of these very regions at the close of the 15th century! Under-ground mining, properly so called, of auriferous veins, lasts a much longer time, when no external circumstance disturbs it. Precisely because we do not know in advance the whole deposit, for the mine discovers itself in proportion as it is worked, a more durable element is offered to human activity. How few of the forty gold-washing sites, so carefully described by Strabo, can be recognized now! This observation, founded upon positive analogies and upon the recognized principles of mining, is all the more to be made here, since a vain scepticism triumphs in attempting to shake the traditions of Antiquity.

The part of Europe known to the Greeks, was in respect to its metallic wealth, as much behind Asia, as later, the whole European Continent was behind the New World. This last ratio,‡ that is to say, the relative intensity of product in Europe and America, was, at the commencement of the 19th century, when the mines of the Spanish colonies were worked in their greatest activity, for gold as 1 : 13 and for silver as 1 : 15. I apprehend even, that such a ratio, at the period of Alexander and of the Ptolemies, would be found, if one had only statistical data upon it, still more unfavorable for Europe, especially in regard to gold. Greece herself, it is true, together with the at first very productive silver mines of Laurium, had a considerable amount of gold

\* [Herod. iii. 102. Plin. H. N. xi. 36.]

† Opp. reliq. ed. Bähr. Ind. cap. iv. p. 248, 271.

‡ The elements of this estimate are contained in the 11th chapter of my *Essai Politique*, &c. [Political Essay on the Kingdom of New Spain] t. iii. p. 400. [Paris, 1811, 8vo.] The relative produce of gold was then 1300 kil. and 17300 kil. [2800 lb. and 38000 lb. avoirdupois, nearly:] and the relative produce of silver was 52700 kil. and 795600 kil. [equal to 116000 lb. and 1750000 lb. avdp. nearly.]



in the mines of Thessaly, in the Pangæan mountains on the frontiers of Macedon and Thrace, and amid the early establishments\* of the Phenicians opposite to the island of Thrasos. Iberia, too, was a region of silver for others than the Phenicians and Carthaginians. Tartessus and Ophir, (this last being either Arabia† or the eastern coast of Africa, or even, as Heeren will have it, a generic appellative designating indefinitely the rich countries of the South) were the double object of the united fleets of Solomon and Hiram. Although amid all the metallic wealth of Spain, the silver of Bætica [Andalusia] and of the district of Carthagera, a city founded by Hamilcar Barca, was for a long while the principal object of foreign commerce; nevertheless, during many a year, Galicia, Lusitania, and above all, the Asturias, furnished 20000 pounds of gold,‡ that is to say, almost as much as Brazil at the most flourishing epoch of its mines. There is nothing astonishing, therefore, in the Iberian peninsula, early visited, acquiring with the Phenicians and Carthaginians the reputation of a Western El-dorado. There is no doubt that in many localities which shew now only faint metallic traces, the original soil formerly was covered quite near the surface with beds of auriferous sand, or sown with the debris of some formerly massive ore containing gold. The local importance of these mines of southern Europe is incontestable; but in comparison with Asia, their metallic product was small. This last continent remained for a long time the principal source of the precious metals; and the direction|| of the current that brought gold into Europe, could only be from East to West.

But Asia itself, that is to say, the report spread by travellers in the middle ages of immense treasures existing in Zipangou, (Japan) and the Southern Archipelago, [Oronesia] produced a sudden change in the direction of this metallic current. America was discovered, not as has been erroneously said so long, because Columbus foresaw the existence of another continent; but because he was seeking westward a shorter road to Zipangou, so rich in gold, and to the spice countries in south-eastern Asia. Thus the greatest mistake of geography, (that is, the idea of Spain's proximity to India) led to the greatest discovery of geography. Christopher Columbus and Americus Vespucius both died under the firm conviction of having reached Eastern Asia, (India with the basin of the Ganges, the peninsula of Cattigara:) and hence there can never arise any dispute between them as to the glory of discovering a new continent.

At Cuba, Columbus meant to deliver to the Great Khan of the Mongols, the letters of his sovereign. He believes himself in Mangi, the

\* Otrfr. Müller, History of the Hellenic tribes, t. i. p. 115. Gold-mine near Skapte Hyle (Böckh, Corp. Inscript. t. i. p. 219.)

† On this subject so often treated, see a Memoir of remarkable philological criticism, by Dr. Keil, of Dorpat. *De la Navigation, &c.* [On the Voyage to Ophir and Tarshish,] 1834, p. 61, 70.

‡ Böckh, *Economie Politique*, t. i. p. 15. The port of Carthage even holds a sand of gold thrown in by the Mediterranean, between the river Miliana and cape Sidi-Bou-Saïd. The inhabitants, who are poor, turn it to profit at this day. Dureau de la Malle, *Recherches, &c.* [Researches into the topography of Carthage,] 1835, p. 251.

|| Letronne, p. 105, 123.

southern region of Cathay, (China;) he looks for Quien-sai, the celestial city described by Marco Polo, now Hang-tchen-fou. "The island of Hispaniola (Hayti)" writes he\* to Pope Alexander VI. "is Tarshish, Ophir and Zipangou. In my second voyage I have discovered 1400 islands and a shore of 333 miles, belonging to the continent of Asia (*de la tierra firma de Asia.*)" This West-Indian Zipangou produced gold-spangles (*pepitas de oro*) weighing 8, 10, and up to 20 pounds.

America, from the moment of its discovery, became the principal source of the precious metals. The new current directed itself from West to East; indeed, it crossed Europe, inasmuch as in the development of commerce after navigators had doubled Africa, it became necessary to give to southern and eastern Asia a larger equivalent in exchange for spices, silk and pigments.

As before the discovery of the silver mines of Tasco, upon the western slope of the Mexican Cordilleras, (in 1522) America furnished only gold, Isabella of Castile found herself obliged, already in 1497, to modify considerably the legal ratio of the two precious metals. The monetary edict of Medina,† whose date is so remote, and to which up to this time so little importance has been attached, can only be accounted for by this circumstance and by the accumulation of gold at a few points in Europe. I have elsewhere sought to demonstrate how, from 1492 to 1500, the whole quantity of gold drawn from the then discovered portions of the New World, amounted hardly to an annual mean of 2000 marcs, [1000 lb. avoirdupois, nearly.] Pope Alexander VI. who thought that he was bestowing one-half of the earth upon the Spaniards, received in return as a present from Ferdinand the Catholic, some little spangles of gold from Hayti "as the first fruits of a country newly discovered," to gild the magnificent dome [the *soffit* of the dome, (*soffitto*)] of the basilica of the S. Maria Maggion. Mention is made of the metal in an inscription; as being quod primo Catholici reges ex Indiâ receperant [what the Catholic Sovereigns had first received from India.]

So great was then the activity of the Spanish Government, that already in 1495, as the historian Muñoz has shown, a miner, Pablo Belvis, was

\* Letter of February, 1502, found in the archives of the Duke of Varaguas. The third voyage, in which the continent of South America was discovered, (on 1 August, 1498, thirteen months after the discovery of North America by Sebastian Cabot) and the fourth voyage which gave the first information as to the western coast of the New world, only confirmed the aged Admiral in his preconceived opinion. It is not from any confusion of ideas that, in his letter to the pope and his manifest inclination to shew there a certain amount of biblical learning, he represents the names Tarshish, Ophir and Zipangou as synonyms of San Domingo: this belonged, as we see by other writings of Columbus, to his systematic notions. He considered, not India exactly, but Japan (Zipangou) certainly to be the Ophir of Solomon, which he calls also sometimes *Sopora*. He regarded Tarshish, not as the Iberian Tartessus, but with the Septuagint and many theologians of the middle ages, as a common name. The voyage of Solomon, was not, in his view, a double navigation, having a part in the Red Sea and the Mediterranean. It had no other point of departure than Ezimgeber. Columbus knew Quien-sai from a letter of Toscanelli, and not through Marco Polo, whom he never mentions, though the contrary has been hitherto maintained.

† *Memorias de la R. A. &c.* [Memoirs of the Royal Academy of History,] t. vi. p. 525. The edict of Medina changed the old legal ratio of 1 : 10,7.

sent to Hayti with provision of quicksilver to facilitate the separation of the gold by amalgamation. Something very striking in this regard, we read in a passage, recently discovered and but lately published, of the Geography of Scherif Edrisi,\* "that the negroes in the interior of Western Africa, as well as the inhabitants of the low and fertile district called Wady el Alaki (between Abyssinia, Bedja and Nubia) work the gold-earth by means of quicksilver." The Nubian geographer speaks in the middle of the 12th century, of this mode of extraction as a thing known for a long time. Could this knowledge have been communicated from the East, across Egypt to the country of Blacks, (Chemi) subtle in decompositions—to Africa? Antiquity, Greek and Roman, makes mention, it is true, of a very frequent employment of quicksilver to detach the gold from the threads of old lace; but it never speaks of an artistical application of mercury on a large scale in the detailed descriptions of gold-washings it so often gives.

[Continued on p. 601, April No.]

## THE FINANCIAL EVENTS OF THE YEAR 1848.

From the London Times, January 1, 1849.

As matter of history, and as materials for future reference and comparison with other periods, we lay the following sketch before our readers. It is the ablest article upon the subject that we have met with among our numerous files of daily and monthly foreign journals. The reader, after having gone through this article, will find the Exchange and Stock tables in our present No., pp. 572-3-4, and the concluding remarks, well worth an examination.—*Ed. B. M.*

The commercial and monetary events of 1847 seemed almost without precedent for violence and magnitude, but those of the twelve months just ended, although of a wholly different character, have been no less remarkable. If the force of each period, taken singly, can be matched by former experience, it is at least certain that as regards two consecutive years nothing similar is upon record. The only mitigation has been, that the past year has destroyed the impressions of its predecessor, so that the devastation of 15 months back appears now like something we have only read of, rather than a recent struggle in which we have been actors.

On the 1st of January, 1848, Consols were at 85, having risen to that price from 78½, at which they had been done in October. The bullion in the Bank was £12,404,250; the notes in circulation, £17,924,990; and the reserve, £7,865,830. The rate of discount had just been reduced to 5 per cent., at which there was no demand, and the daily reports of failures having at last ceased, a general deadness prevailed.

The account of the revenue, which appeared shortly afterwards for the

\* See the French translation of Amédée Jaubert, [whose death, Science has recently had to deplore] Paris, 1836, t. i. p. 42, 67. These two pages were wanting in the MS. which served for the Latin version of Sionita.

twelve months ending the 5th of January, showed a falling off of £2,217,454 from the preceding year, although the first two quarters had presented a considerable increase; but notwithstanding a new loan or new taxes were foreseen, it was not so bad as had been expected, and hence, instead of a fall in the funds, it was followed by a further rise. On the 26th the discount houses reduced their rate for money at call to 3 per cent., and the bank immediately lowered its discount to 4 per cent., Consols meanwhile having steadily approached 90. Throughout this and the following month, the chief points were the anxiety for news from Calcutta of the first effect of the break up on this side, the suspension of the West India Bank, the disorganization of the West India colonies generally, and a constant succession of failures on the Continent, commencing with three large firms at Frankfort for a total of £230,000, followed by others at Paris, Marseilles, Hamburg, St. Petersburg, Amsterdam, and Havre, where the suspension of Dubois' Commercial Bank took place with liabilities stated at £480,000. The prohibition, by General Scott, of the export of specie from Mexico was also a disturbing element. Gold, however, was still flowing in from America and other quarters, while as regarded politics, everything was comparatively quiet, except in Sicily.

On the 18th of February Lord John Russell brought forward the financial budget, showing a deficiency of two millions and a half for the coming year, and proposing for two years to raise the income tax from 3 to 5 per cent. From this he would derive three millions and a half, but as he proposed also an increase in the navy, army, and ordnance estimates, together with a grant of £150,000 for militia, it would still only leave a surplus of £113,000. The scheme, however, drew forth one unanimous burst of condemnation, and the columns of *The Times* teemed with letters showing the unjust pressure of the tax, even as it already existed, and that the slightest addition to it would be intolerable. Although it had been announced that there would be no funding, Consols went down from 90 to 89½, and it was evident that, if the plan were persisted in, it might compromise even the very existence of the Cabinet. It was therefore speedily abandoned, and the Minister was forced to try retrenchment, and to leave his account open until the end of the session.

In the midst of the storm thus raised, came the first sound of the French revolution. On the 25th of February, Consols opened at 88, whence they fell to 85 on Louis Philippe's abdication; and by the 28th they had dropped to 80½. During this period, we had no prices of the French funds. All the Parisian bankers spoke of liquidating. The fate of the national debt of France, amounting to 210 millions sterling, became a subject of doubt, as well as that of the 31 millions invested in railways, to a great extent by English capitalists. The loan of 10 millions contracted by Rothschild in the previous November, and on which only the first three instalments had been paid, it was assumed would be abandoned. This state of uncertainty continued more or less till June. Meanwhile the chief French banking houses failed; that of M. Gouin with liabilities for £2,000,000 sterling; Ganneron's, with a paid-up capital of £800,000; Thurneysen and Co., D'Eichthal and Son,

and Paccard Dufour and Co. (who have since resumed) being amongst the number. On the 7th the French 5 per cents., which had closed on the 22d of February at 116 $\frac{3}{4}$ , opened at 97 $\frac{1}{2}$ , and left off on the same day at 89; the 3 per cents. being done at 47. The extravagant expenditure of the Provisional Government increased, voluntary and other loans were vainly attempted, M. Goudchaux in despair gave up the Finance Department, and on the 16th the Bank of France suspended specie payments—a step which was of necessity speedily followed by the banks in Belgium. The attempts of the Government to seize the railroads, the flight of capitalists and manufacturers, the failure of whole streets of shopkeepers, and the constant occurrence of *emeutes*, until on the 15th of May the Assembly was invaded by the followers of Blanqui, Barbés, and others, added thenceforth to the forebodings as to the depth of bankruptcy into which the nation was destined to descend.

Simultaneously with these events in France, the tidings of the insurrections at Vienna on the 10th of March and the 15th of May, (and at Naples also on the latter day) as well as the conflict at Berlin, the march of the King of Sardinia against the Austrians, followed by a solemn proclamation of the King of Naples to “achieve a magnanimous effort for Italian nationality,” outbreaks at Madrid and the departure of Sir H. Bulwer, together with the Schleswig-Holstein war, and the embargo by Denmark on all German vessels, contributed their additional influences to keep our markets in a state of constant agitation. As regarded home events, it was impossible for much interest to be awakened by anything. The chief city occurrences were the bank meeting of the 16th of March, at which it was intimated that, in compliance with the demands for reform, an amended system would be adopted in the elections of governors and directors; the distress occasioned in various circles by the report of the Union Bank of Calcutta “carrying to many of its shareholders a sentence of utter ruin,” and the drain of gold at the beginning of April, owing to £700,000 having been sent to meet the run on the Savings Banks in Ireland, as well as to the hoarding consequent upon the fears of the approaching Chartist demonstrations on the 10th of that month—a day which, on its termination, was marked by an improvement in Consols of 1 per cent. On the 6th of May the bullion in the bank had declined to £12,826,108, being a reduction of £2,490,686, from the 25th of March, when it had stood at its highest amount; but although the exportation of specie was prohibited from Naples and Vienna, and ultimately from Russia, the tide soon turned again in our favour, continuous arrivals taking place from the United States, India, and elsewhere.

As summer approached, Consols had again nearly reached 85, and the upward tendency was only checked by renewed apprehension as to the state of Paris, aggravated by the movements of the Bonapartists. On the 15th of June the Bank of England again reduced its rate of discount to 3 $\frac{1}{2}$  per cent., and this coupled with Louis Napoleon's resignation of his seat in the French Assembly, imparted renewed firmness. On the 18th we had the Ministerial propositions on the sugar question, including the offer to guarantee a loan to the colonies of £500,000. On the 20th the conditional recognition by Great Britain of the inde-

pendence of Sicily was announced, and on the 21st the report of the Select Committee on Commercial Distress made its appearance, with the satisfactory resolution, that it was "not expedient to make any alteration in the Bank Charter Act." From time to time large failures at Hamburgh were reported. On the 22d the new insurrection at Paris broke out, and on Midsummerday that city was placed in a state of siege, and General Cavaignac was named dictator.

The inevitable reaction of the revolutionary wave had now commenced, and the tone of foreign politics became less exciting. Consols rapidly advanced, and a new French loan of 8 millions sterling was contracted in 5 per cents. at  $75\frac{1}{2}$ , the 10 per cent. deposit forfeited on the previous loan being allowed as an inducement to the same capitalists to subscribe to it.

But the agitation which had long prevailed in Ireland was drawing to a crisis, and on the 27th of July the memorable telegraphic communication arrived of the rising at Clonmel, the disaffection of the military, and the burning of the railway station at Thurles. The decline thus caused, however, was only 1 per cent. During this month the suspension of Mr. G. T. Braine, with liabilities for £350,000, the contract for a loan of \$16,000,000 at Washington, consequent upon the treaty with Mexico, of which \$2,400,000 was taken on English account, and the unquestionable recurrence of the potatoe disease in Ireland, were the other most noticeable events. In August an uninterrupted continuance of bad weather exercised a depressing effect, and the bank returns of specie again began to diminish, until a remittance of £400,000 from St. Petersburg on account of the Russian Government took place. News also arrived of the revolt at Mooltan. At the end of the month the Chancellor of the Exchequer announced that it was now ascertained the deficiency of the year would be two millions, which it was proposed to meet by a creation of stock, to be sold in parcels as the money might be required. In September the only business topic of any importance was the contest in the Bank Court against the interminable system of increasing the capital under the plea of adding to the rest, and which resulted in a majority of 15 in favour of the directors, the votes of their own body being not less than thirty. In October the gloom of the Share-market, which in consequence of distrust as to the actual position of the various companies had steadily gathered throughout the year, increased to a perfect panic. A call was made for "accounts that should be unmistakable," and the force of public opinion rendering resistance impossible, it was at length complied with. The North-Western Company intimated its intention to abandon a contemplated expenditure of nearly four millions; the example was followed by the Great-Western and other companies, and the result was a general rise of from 5 to ten per cent. in the value of shares. A project for an amalgamation of the three leading lines was also brought forward, but without success. The political events of this month were the new insurrection at Vienna, and the siege and surrender of that city, together with the news from America of the election of General Taylor. In November, Berlin was added to the number of continental capitals destined to experience a state of siege, but neither this nor the subsequent flight of Pius IX. from Rome, nor the abdication of the Emperor

of Austria, produced any effect on the English funds. In the manufacturing districts an extraordinary revival had become observable, owing to the low stocks existing in most parts of the world. Money, however, still increased in abundance, and each succeeding statement of the bank showed a large addition to its bullion. Consols still advanced, and the only cloud that seemed to be dreaded was the possible defeat of General Cavaignac in the French election. The announcement, however, of a majority of four millions having been obtained over him by Prince Louis was instantly followed by a decided and uninterrupted rise.

Among the occurrences of the year having an important bearing on commerce, the colonization of the island of Labuan, and the formation of Mr. Enderby's company for the re-establishment of the Southern Whale Fishery, call for notice. The still more essential question of Indian railways has remained unfortunately lifeless, under its discouragements from the India House.

*January 1, 1849.*

Consols have closed to-day within a fraction of 4 per cent. above their price on the 1st of January last, when, with the exception of Italy, Europe was in a state of profound repose, and the worst casualty contemplated by the speculators was the possible death of Louis Philippe. The bullion in the bank is £2,600,000 in excess of that period, and within about a million of its highest point preceding the madness of 1846, while the banking reserve has increased £3,400,000, and is nearly half a million higher than at any period since the passing of the Bank Act. Under these circumstances, with produce of all descriptions only just showing a revival from the ruinous prices they had reached in October (the recovery at Manchester and Liverpool having been about 10 per cent., while in the colonial markets it is as yet only indicated), with low prices of grain, and the certainty of their continuance from the opening of the ports on the 1st of February, with encouraging accounts from India and America, with the railroad and every other speculative mania effectually crushed, the system of blind credit to leviathan houses being also broken up, with our exports after eight months of large comparative deficiency, suddenly presenting an opposite result, with a steady coming-in of the revenue, and with a universal disposition on the part of the mercantile classes to avoid all business save such as can be carried on securely, the new year now opens upon us. That its prospects are cheering, and such as to call forth all active energies, no one can deny. Experience has shewn, that should it even be found impossible to preserve peace on the Continent, the evil consequences upon trade must still be small so long as Great Britain and America remain merely as lookers-on. On the other hand, if order should be restored and maintained, our progress may be rapid, almost beyond precedent. It is true that from every quarter of the Continent attempts will be made to raise large loans. Austria already wants 8 millions. France needs a like amount, and Denmark, Prussia, and the Italian States are all in similar exigencies; but the lessons already learned on this point have not been forgotten amongst us, and it is not improbable that one of the best preservatives of peace will be found in the impossibility of raising supplies in our market.



## BANK STATISTICS.

[Compiled for the Bankers' Magazine from the official Reports.]

*Bank of the State of Missouri and its Five Branches.*

LIABILITIES.	Dec. 31, 1845.	Dec. 31, 1847.	Dec. 30, '48.
Capital stock owned by the State, . . .	\$954,205	\$954,205	\$954,205
Do. owned by individuals, . . .	246,377	250,511	253,962
Circulation, . . . . .	2,195,840	2,404,160	2,569,950
Individual deposits, . . . . .	1,296,428	1,364,650	1,735,410
Bank balances, . . . . .	37,858	138,073	170,695
Contingent Fund, . . . . .	79,978.	98,850	122,960
Interest and exchange, . . . . .	176,612	196,870	186,208
Suspense account, . . . . .	17,223	17,223	17,223
<b>Total Liabilities, . . . . .</b>	<b>\$5,004,521</b>	<b>\$5,424,543</b>	<b>\$6,010,613</b>
RESOURCES.	Dec. 30, 1845.	Dec. 30, 1847.	Dec. 30, '48.
Bills discounted, . . . . .	\$1,433,038	\$1,775,886	\$1,816,180
Exchanges matured, . . . . .	544,675	136,245	474,390
Exchanges maturing, . . . . .	733,894	511,168	590,095
Suspended debt, . . . . .	170,046	164,218	155,458
Due by State of Missouri, . . . . .	76,844	110,572	123,538
Real estate, . . . . .	136,016	122,574	125,850
Bank balances, . . . . .	47,900	20,520	53,905
Expense account, . . . . .	14,445	15,451	15,426
Certificates of Bank of Illinois, . . . .	183,946	181,796	191,533
Do. of State Bank of Illinois, . . . .	24,367	24,367	.....
Bank notes, . . . . .	185,736	47,040	36,560
Gold and silver coin, . . . . .	1,453,614	2,314,719	2,427,686
<b>Total Resources, . . . . .</b>	<b>\$5,004,521</b>	<b>\$5,424,543</b>	<b>\$6,010,613</b>

Dividend for the six months ending 31 December,  $5\frac{1}{4}$  per cent.,  $\frac{1}{4}$  of which is payable to the State and 5 per cent. to the stockholders.

LOCATION.	Capital.	Deposits.	Circulation.
St. Louis, . . . . .	\$607,873	\$1,577,000	\$1,522,000
Fayette Branch, . . . . .	120,059	20,000	240,000
Palmyra " . . . . .	120,059	34,000	209,000
Jackson " . . . . .	120,059	8,000	200,000
Springfield " . . . . .	120,058	19,000	187,000
Lexington " . . . . .	120,058	74,000	240,000
	Loans.	Specie.	Bank Balances.
St. Louis, . . . . .	\$1,719,000	\$1,914,000	\$13,000
Fayette Branch, . . . . .	236,000	117,000	3,800
Palmyra " . . . . .	215,000	89,000	1,000
Jackson " . . . . .	209,000	106,000	.....
Springfield " . . . . .	170,000	92,000	10,000
Lexington " . . . . .	283,000	107,000	25,000

## KENTUCKY.

	Deposits.	Circulation.	Loans.	Specie.
Bank of Kentucky, . . . . .	\$725,000	\$2,825,000	\$5,050,000	\$1,387,000
Northern Bank, . . . . .	805,000	2,252,000	3,924,000	942,000
Bank of Louisville, . . . . .	197,000	1,195,000	1,794,000	529,000
<b>Total, January, 1849, . . .</b>	<b>\$1,727,000</b>	<b>\$6,272,000</b>	<b>\$10,768,000</b>	<b>\$2,858,000</b>

*Bank of Kentucky and Seven Branches.*

LIABILITIES.	Jan. 1846.	Jan. 1847.	Jan. 1848.	Jan. 1849.
Capital stock, . . . . .	\$3,700,000	\$3,700,000	\$3,700,000	\$3,700,000
Over issue by the Schuylkill Bk. . . . .	470,300	338,300	52,100	36,500
Contingent fund, . . . . .	89,262	92,471	89,785	103,867
Deposits, . . . . .	740,984	609,208	671,965	725,946
Fund to purchase over issue, &c. . . . .	55,137	85,703	.....	51,626
Dividends declared, . . . . .	105,256	100,957	93,502	93,412
Bank balances, . . . . .	392,814	463,163	344,144	321,480
Circulation, . . . . .	2,596,672	2,434,659	2,781,706	2,825,347
Due Treasurer of State, . . . . .	53,181	46,882	95,991	37,232
Profit and loss, . . . . .	50,218	.....	.....	.....
Conting't fund reserved by charter, . . . . .	100,000	100,000	100,000	100,000
<b>Total Liabilities, . . . . .</b>	<b>\$8,343,824</b>	<b>\$7,971,348</b>	<b>\$7,929,493</b>	<b>\$7,995,910</b>
RESOURCES.	Jan. 1846.	Jan. 1847.	Jan. 1848.	Jan. 1849.
Notes discounted, . . . . .	\$3,093,840	\$2,958,060	\$2,642,215	\$2,555,390
Bills of Exchange, . . . . .	1,850,222	1,755,505	2,132,721	2,495,243
Suspended debt, stocks, &c. . . . .	167,429	88,068	95,801	95,618
Banking houses, . . . . .	87,534	87,534	87,534	103,913
Real estate, . . . . .	164,671	140,305	123,504	93,860
Kentucky bonds, . . . . .	250,000	250,000	250,000	250,000
Louisville bonds, . . . . .	200,000	200,000	200,000	200,000
Bank balances, . . . . .	445,692	676,062	560,415	531,933
Due from corporations, . . . . .	19,438	15,425	21,709	26,233
Deficiency for over issue, . . . . .	470,300	338,300	52,100	36,500
Gold and silver, . . . . .	1,275,308	1,240,305	1,371,398	1,387,148
Notes of other banks, . . . . .	319,388	221,784	345,372	220,072
Stock fund, . . . . .	.....	.....	46,722	.....
<b>Total Resources, . . . . .</b>	<b>\$8,343,824</b>	<b>\$7,971,348</b>	<b>\$7,929,493</b>	<b>\$7,995,910</b>

The over issue by the Schuylkill Bank amounted to \$1,318,500, which was assumed by the Bank of Kentucky; all of which has been liquidated except \$36,500.

*Bank of Louisville and Two Branches.*

LIABILITIES.	Jan. 1846.	Jan. 1847.	Jan. 1848.	Jan. 1849.
Capital stock, . . . . .	\$1,082,100	\$1,082,000	\$1,080,000	\$1,080,000
Circulation, . . . . .	1,024,227	939,822	1,126,328	1,195,081
Deposits, . . . . .	213,782	161,380	230,898	197,226
Bank balances, . . . . .	109,517	57,092	132,938	224,384
Dividends unpaid, . . . . .	34,401	2,600	3,568	2,961
Profit and loss, . . . . .	77,231	126,829	158,166	175,520
<b>Total, . . . . .</b>	<b>\$2,541,258</b>	<b>\$2,369,723</b>	<b>\$2,731,898</b>	<b>\$2,875,172</b>
RESOURCES.	Jan. 1846.	Jan. 1847.	Jan. 1848.	Jan. 1849.
Notes discounted, . . . . .	\$866,433	\$736,698	\$648,060	\$569,977
Bills of exchange, . . . . .	811,570	717,987	1,136,262	1,224,203
Louisville bonds, . . . . .	80,000	75,000	75,000	75,000
Bank balances, . . . . .	146,772	132,830	154,410	246,026
Suspended debt and costs, . . . . .	91,408	88,443	47,962	60,200
Real estate, . . . . .	111,492	97,271	89,271	88,912
Specie on hand, . . . . .	351,094	445,844	510,341	529,246
Bank notes, . . . . .	82,489	75,650	70,592	81,608
<b>Total, . . . . .</b>	<b>\$2,541,258</b>	<b>\$2,369,723</b>	<b>\$2,731,898</b>	<b>\$2,875,172</b>
Dividend, January, 1849. Four per cent.				

*Northern Bank of Kentucky and Four Branches.*

LIABILITIES.	Jan. 1846.	Jan. 1847.	Jan. 1848.	Jan. 1849.
Capital stock, . . . . .	\$2,237,600	\$2,238,900	\$2,238,900	\$2,250,000
Profit and loss, . . . . .	267,058	287,158	334,542	370,626
Dividends unpaid, . . . . .	6,491	7,748	6,388	8,430
Deferred interest, . . . . .	7,754	7,613	8,840	8,093
Circulation, . . . . .	2,453,532	2,336,513	2,576,760	2,252,530
Deposits, . . . . .	674,503	605,320	742,806	805,973
Bank balances, . . . . .	669,327	903,480	827,153	492,418
Bills payable, . . . . .	18,450	6,150	.....	.....
<b>Total Liabilities, . . . . .</b>	<b>\$6,334,715</b>	<b>\$6,392,882</b>	<b>\$6,735,409</b>	<b>\$6,188,070</b>
RESOURCES.	Jan. 1846.	Jan. 1847.	Jan. 1848.	Jan. 1849.
Bills discounted, . . . . .	\$1,849,698	\$1,845,272	\$1,785,302	\$1,591,312
Bills of exchange, . . . . .	2,007,287	1,927,466	2,156,410	2,333,093
Suspended debt, . . . . .	123,268	122,005	136,910	118,197
Kentucky bonds, . . . . .	5,000	5,000	5,000	5,000
Lexington City bonds, . . . . .	35,000	33,000	29,000	22,400
Bank balances, . . . . .	928,281	1,061,265	1,111,784	824,631
Real estate, . . . . .	179,365	135,340	123,930	119,321
Gold and silver, . . . . .	909,704	931,806	1,038,413	942,191
Notes of other banks, . . . . .	287,819	322,895	340,760	218,795
Miscellaneous, . . . . .	8,793	8,833	8,850	13,130
<b>Total Resources, . . . . .</b>	<b>\$6,334,715</b>	<b>\$6,392,882</b>	<b>\$6,735,409</b>	<b>\$6,188,070</b>

Dividend, January, 1849. Four and a half per cent.

## COUNTRY BANKS OF MARYLAND, JAN. 1, 1849.

*Prepared for our February No. but excluded by the press of other matter.*

LIABILITIES.	Capital.	Circulation.	Deposits.	Miscellaneous.
Farmers Bank and two Branches, . .	\$819,575	\$299,713	\$541,296	\$43,200
Patapsco Bank, . . . . .	125,000	52,056	61,400	9,404
Cumberland Bank, . . . . .	112,937	43,970	71,779	26,515
Mineral Bank, . . . . .	128,154	75,610	23,990	5,066
Hagerstown Bank, . . . . .	250,000	221,887	58,792	47,017
Havre de Grace Bank, . . . . .	50,000	25,976	1,660	602
<b>Total, January, 1849, . . . . .</b>	<b>\$1,485,666</b>	<b>\$719,212</b>	<b>\$758,916</b>	<b>\$131,804</b>
Baltimore Banks, (page 476,) . . .	6,974,646	1,848,167	2,974,732	2,037,254
RESOURCES.	Loans and Stocks.	Specie.	Bank Balances and Bank Notes.	Miscellaneous.
Farmers Bank and two Branches, . .	\$1,372,930	\$147,584	\$147,287	\$35,933
Patapsco Bank, . . . . .	207,698	21,963	6,808	11,391
Cumberland Bank, . . . . .	154,286	31,376	48,983	20,556
Mineral Bank, . . . . .	142,940	16,873	36,057	36,950
Hagerstown Bank, . . . . .	445,476	37,567	49,074	45,580
Havre de Grace Bank, . . . . .	49,197	10,082	18,340	618
<b>Total, January, 1849, . . . . .</b>	<b>\$2,372,527</b>	<b>\$265,445</b>	<b>\$306,549</b>	<b>\$151,077</b>
Baltimore Banks, . . . . .	10,440,539	1,805,909	1,290,783	347,568

In addition to the above, there are the following country banks whose returns we have not received.

	Capital.
Frederick, . . . . . Farmers and Mechanics Bank, . . . . .	\$125,430
" . . . . . Frederick County Bank, . . . . .	150,000
Westminster, . . . . . Westminster Bank, . . . . .	60,000
Williamsport, . . . . . Washington County Bank, . . . . .	135,000
<b>Total Bank Capital of Maryland, \$8,930,742.</b>	

## STATISTICS OF THE COINAGE.

From "A Manual of Gold and Silver Coins of all Nations; showing their History and Legal Basis, and their Actual Weight, Fineness and Value, chiefly from Original and Recent Assays. By J. R. Eckfeldt and William E. Du Bois, Assayers of the Mint of the U. S. Illustrated by numerous engravings of Coins."

[Continued from p. 521.]

## COINAGE OF PERU.

		GOLD.	SILVER.	TOTAL.
Ten years, 1801-10,	. . .	\$3,216,400	\$42,500,000	\$45,716,400
Do. 1811-20,	. . .	5,593,700	54,655,000	60,248,700
Do. 1821-30,	. . .	1,294,700	15,435,700	16,730,400
Four years, 1831-34,	. . .	401,700	11,400	413,100
1835, 36,	. . .	No returns.	No returns.	. . .
1837,	. . .	120,000	2,564,000	2,684,000
1838,	. . .	No returns.	No returns.	. . .
1839,	. . .	None.	2,406,200	2,406,200
1840,	. . .	None.	3,104,000	3,104,000
1841,	. . .	None.	2,788,800	2,788,800

The foregoing returns for 1839 to 1841, do not include the coinage at the mints of Cuzco and Arequipa. At the former, the annual amount is supposed to be about one million of dollars—one-third of which is gold: at the latter, the amount in 1838, was near one million, but does not now reach \$100,000 annually.

The largest annual coinage in Peru, in the past century, was, of gold, in 1758, \$1,170,000; of silver, in 1794, \$5,304,000.

## COINAGE OF CHILI.

		GOLD.	SILVER.	TOTAL.
Ten years, 1811-20,	. . .	\$6,171,800	\$3,527,000	\$9,698,800
Do. 1821-30,	. . .	1,694,000	350,295	2,044,295
1831,	. . .	None.	47,850	47,850
1832,	. . .	192,440	37,950	230,390
1833,	. . .	418,336	84,150	502,486
1834,	. . .	522,240	44,550	566,790
1835,	. . .	None.	3,300	3,300
1836,	. . .	472,464	No return.	472,464

The largest amount of gold coined, for many years, was in 1810, \$865,000; of silver, in 1817, \$535,000.

## COINAGE OF BOLIVIA.

		GOLD.	SILVER.	TOTAL.
Ten years, 1801-10,	. . .	\$5,096,000	\$30,772,500	\$35,868,500
Do. 1811-20,	. . .	125,936	20,542,500	20,668,436
Do. 1821-30,	. . .	703,120	15,006,750	15,709,870
1831,	. . .	122,944	1,815	124,759
1832,	. . .	148,512	1,815	150,327
1833,	. . .	99,824	1,897	101,721
1834,	. . .	80,240	1,893	82,133
1835,	. . .	184,144	1,897	186,041
1836,	. . .	83,000	1,947,000	2,035,000
1837,	. . .	198,000	2,070,000	2,268,000

The largest gold coinage for many years past, was in 1805, \$785,000; of silver, in 1796, \$4,274,000.

## COINAGE OF GREAT BRITAIN.

The gold coinage, for some years previous to the monetary law of 1816, was nearly in a state of suspension; in the three years of 1809, 1810, and 1811, the amount was about £300,000, annually, and in 1813, £520,000. In the three years following, there was no gold coined. There was no silver coinage, except Bank tokens, from 1788 to 1815. The following tables commence with the year 1816, and extend to 1840, inclusive.\*

	GOLD.	SILVER.	TOTAL.
Five years, 1816-20, . . .	£8,090,800	£6,932,800	£15,023,600
Do. 1821-25, . . .	24,283,300	1,450,000	25,733,300
Do. 1826-30, . . .	14,252,300	766,300	15,018,600
Do. 1831-35, . . .	6,737,500	613,400	7,350,900
1836, . . .	1,787,800	497,700	2,285,500
1837, . . .	1,253,100	75,250	1,328,350
1838, . . .	2,855,400	173,850	3,029,250
1839, . . .	504,300	390,450	894,750
1840, . . .	None.	207,700	207,700
	£59,764,500	£11,107,450	£70,871,950

The copper coinage from 1816 to 1836, was £180,107.

The largest annual amount of gold coinage was in 1821, when it reached the prodigious sum of £9,520,758, equal to \$46,270,000. In 1819, there was only the sum of £3,574. No gold was coined in 1816 and 1840.

The largest amount in silver was in 1817, £2,436,298, equal to \$10,722,000. In the three years of 1830, 1832, and 1833, the annual sum was only about £150. The variation in the yearly amount of labor is probably as great as at any mint in the world.

The following table shows the total amount of coinage *in pieces*, from 1816 to 1840.

	GOLD.	PIECES.	VALUE.
Double sovereigns, . . . . .		16,119	£32,238
Sovereigns, . . . . .		55,468,389	55,468,389
Half sovereigns, . . . . .		8,527,681	4,263,840

\*NOTE.—We find in the "British Almanac and Companion, for 1849," a statement of the Coinage in Great Britain to 1847, inclusive, showing the following results.—[Ed. B. M.]

	GOLD.	SILVER.	TOTAL.
To 1840, (as above)	£59,764,500	£11,107,450	£70,871,950
Year 1841, . . . . .	378,472	96,175	474,647
" 1842, . . . . .	5,977,015	204,732	6,181,747
" 1843, . . . . .	6,607,850	276,276	6,884,126
" 1844, . . . . .	3,563,949	626,670	4,190,619
" 1845, . . . . .	4,244,506	647,658	4,892,164
" 1846, . . . . .	4,334,697	559,548	4,894,245
" 1847, . . . . .	5,158,440	125,730	5,284,170
Total, . . . . .	£90,029,429	£13,644,239	£103,673,668
Average for 11 years, ending 1847,	£2,716,000	£221,700	£2,937,700

# Statistics of the Coinage.

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SILVER.	PIECES.	VALUE.
Crowns, . . . . .	1,849,905	£462,476
Half crowns, . . . . .	31,438,434	3,929,804
Shillings, . . . . .	101,645,230	5,092,264
Sixpences, . . . . .	53,324,595	1,458,115
Fourpences, . . . . .	10,371,058	172,850
Three, two, and one penny, . . . . .		1,290

## COINAGE OF FRANCE.

The coinage of gold from 1726 to 1730, was . . . . .	957,200,000 livres.
Do. do. 1781-85, estimated, . . . . .	85,000,000 "
Do. do. 1786-94, . . . . .	738,257,000 "
	1,780,457,000

The coinage of silver from 1726 to 1791, was 1,966,402,000 livres.

There was coined in 30 and 15 sous pieccs, (1791) 25,000,000 francs.

The decimal coinage previous to 1803 is not ascertained.

	GOLD.	SILVER.	TOTAL.
Type of Napoleon, 1803-14, . . . . .	fr. 523,024,440	fr. 887,830,055	fr. 1,415,854,495
Do. Louis XVIII. 1814-24, . . . . .	339,333,060	614,830,110	1,004,163,170
Do. Charles X. 1824-30, . . . . .	52,918,920	632,511,321	685,430,241
Do. Louis Philippe I. 1830-40, . . . . .	177,367,740	1,229,440,566	1,406,808,306
Francs, . . . . .	1,147,644,160	3,364,612,052	4,512,256,212

## Amount of coinage in Pieces, from 1803 to 1840.

GOLD.	VALUE.
Forty francs, . . . . .	fr. 204,431,440
Twenty francs, . . . . .	943,212,720
SILVER.	
Five francs, . . . . .	3,231,045,450
Two francs, . . . . .	57,057,608
One franc, . . . . .	50,359,424
Half franc, . . . . .	22,534,088
Quarter franc, . . . . .	3,615,482
Total value in Francs, . . . . .	4,512,256,212

## A SUMMARY STATEMENT

Of the average annual amount of Coinage of Gold and Silver, of late years, in various countries; and the amount in proportion to their population.

COUNTRIES.	ANNUAL COINAGE.		Present	U. S. Cts.
	In their own terms.	In U. S. Dolls.	Population.	per head.
United States, . . . . .		4,300,000	17,000,000	25·3
Mexico, . . . . .		12,000,000	7,700,000	155·8
Colombia, . . . . .		2,000,000	3,200,000	62·5
Peru, . . . . .		3,000,000	1,700,000	176·5
Chili, . . . . .		400,000	1,500,000	26·7
Bolivia, . . . . .		1,500,000	1,500,000	100
Brazil, . . . . .	mlr. 68,000	60,000	5,000,000	1·2
G. Britain and Ireland, . . . . .	£ 1,500,000	7,300,000	25,000,000	29·2
British India, . . . . .	rs. 30,000,000	13,300,000	113,000,000	11·8
France, . . . . .	fr. 135,000,000	25,600,000	33,500,000	76·4
Sweden, . . . . .	rx. 650,000	690,000	3,000,000	23
Denmark, . . . . .	rgd. 240,000	128,000	2,000,000	6·4
Saxony, . . . . .	th. 470,000	340,000	1,700,000	20
Prussia, . . . . .	th. 2,500,000	1,800,000	13,000,000	13·8
Austria, . . . . .	fl. 12,000,000	6,000,000	34,000,000	17·6
Spain, . . . . .	rls. 8,000,000	400,000	12,000,000	3·3

*Proportion of Coinage in large and small Pieces.*

All the gold coins, and the large silver coins, may be considered as international currency, being liable to be carried beyond the limits of its country; while small silver coin remains at home, to supply the daily traffic. It is interesting to inquire in what proportion these two grand divisions of money, *large* and *small*, are coined in various nations, of late years. The following will be found near the truth.

	Considered as small coin.	Proportion in value of small coin to large.
United States, . . . . .	Under a half dollar, . . . . .	1 to 10·6
Great Britain, . . . . .	All the silver, . . . . .	1 to 6·6
France, . . . . .	Under five francs, . . . . .	1 to 41
Prussia, . . . . .	Under a thaler, . . . . .	1 to 5·3
Austria, . . . . .	Under a rixdollar, . . . . .	1 to 2·1

*Production of Gold and Silver.*

It was intended to offer in the appendix as complete a body of statistics as could be procured, of the amount of precious metals annually raised in the world; and to this end much information was collected. But after due reflection, it is believed that no satisfactory statement could be given. In some countries a registry is kept of the production, of which a summary notice has been taken under the appropriate heads, in the second chapter. But from the chief mining regions it is impossible to obtain any thing better than vague and contradictory conjectures. Thus in Mexico and Peru, the registers exhibit a certain amount actually raised; but to this is to be added large quantities of bullion exported in a contraband way, of which no near estimate can be made. A high functionary of the Mexican government has rated the annual produce of gold and silver in his country at seventy millions of dollars; while Mr. Ward, from calculations made in 1829, from the best data, was satisfied that it did not exceed eleven millions, since the revolution. At present, the truth probably lies between fourteen and twenty millions; and it is supposed that the production is equal to that of all other countries together. [1842.]

In respect to the gold region of the United States, it was for a long time uncertain whether the amount sent to the mints was nearly the whole, or only a considerable share of the amount mined. The census of 1840 seems to clear up this question.

It appears that in 1839

The number of persons employed in gold mining was . . . . 1,046  
 The amount of capital invested, . . . . . \$234,300  
 The amount of gold raised, . . . . . 529,500  
 of which Virginia produced \$52,000, N. Carolina \$256,000, S. Carolina \$37,000, Georgia \$122,000, Alabama \$61,000, Tennessee \$1,500.

In the same year, the amount deposited for coinage was \$385,000. Whence it may be inferred, that about seven-tenths of the annual production is converted into coin of the United States. The mining operations were not carried on with much activity until 1830. Since that date, the average annual coinage from that source has been \$555,000. Upon the foregoing basis, the average production has been \$800,000 yearly; but perhaps a safer estimate would be \$700,000.



# SUPPLY AND CONSUMPTION OF THE PRECIOUS METALS.

From the Edinburgh Review.

An Historical Inquiry into the Production and Consumption of the Precious Metals. By William Jacob, Esq. F.R.S. 2 vols. 8vo. London: 1831.

The subject Mr. Jacob has undertaken to discuss in the present work—the production and consumption of the precious metals from the earliest ages down to the present day—is one of great interest, but of still greater difficulty. Even in our own times, it is hardly possible to obtain any accounts that can be altogether relied on, of the supply of these metals; whilst the estimates of their consumption, framed by the most intelligent persons, differ so very widely, that it seems almost hopeless to attempt to deduce from them any practical conclusions. The farther we recede from the present century, these difficulties increase, until we reach the Greek and Roman period, when they seem all but insurmountable. In tracing the history of gold and silver in antiquity, Mr. Jacob has displayed much judgment and industry, and no inconsiderable learning. He has occasionally thrown a good deal of light on the condition of society; and his book will always be resorted to by those who are anxious to investigate the real circumstances and situation of the most celebrated nations of antiquity. Still, however, we cannot help considering all attempts to form estimates of the quantities of the precious metals existing at different epochs in the ancient world, and during the middle ages, as little better than mere guesses; any one having it in his power, with a little ingenuity, to arrive at almost any conclusion he pleases. The authors of Greece and Rome paid hardly any attention to prices and revenues; and as their meagre and imperfect statements, when they do allude to them, have suffered more than any other part of their works from the errors of copyists, and refer to money of which neither the weight nor fineness can be accurately determined, they have become in the last degree intractable. The Abbé Barthelemy abandoned in despair the investigation of the prices of commodities at Athens; and even as respects Rome, our information is very limited and obscure. It has been usual in this country to place great confidence in the tables of Dr. Arbuthnot; but we did not expect that Mr. Jacob would have referred to them as if they were above suspicion. (Vol. i. p. 166.) An excellent scholar, well acquainted with such subjects, which he had studied with the deepest attention, has not hesitated to affirm, that the statements put forth by Arbuthnot, and others of his school, “*ont mis l'Histoire Ancienne, sous le support des valeurs, au même degré de vraisemblance que les contes de Mille et une Nuits!*” The grounds assigned by M. Garnier for this decided opinion were controverted by M. Letronne, in a very learned dissertation published at Paris in 1817. But in his *Histoire des Monnaies*, and in the notes to the last edition of his admirable translation of the *Wealth of Nations*, M. Garnier has, with great ability and address, vindicated his theory from the objections that had been made to it; and

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if he has not succeeded in completely establishing his own views, he has at any rate satisfactorily shown that no dependence can be placed on the common interpretations of the sums of money in the Classics. It is obvious, however, that until this preliminary difficulty be removed, and criteria be laid down for determining the values in modern money of the sums mentioned by ancient writers, little can be expected even from the most ingenious speculations as to the supply and consumption of gold and silver in remote ages. We may, perhaps, at some future period, revert to this branch of the inquiry; but at present we take leave to dismiss it, and propose to confine our remarks principally to the occurrences of the present century. We do this, not only on account of the superior interest inspired by what so immediately concerns ourselves, but because the last thirty years have witnessed some of the greatest changes that have ever taken place, both in the supply and consumption of the precious metals. In considering the effect of these changes, we shall have to advert to some practical questions of great interest and importance that have been agitated with respect to them. Mr. Jacob has touched on some of these; and the portion of his work which refers to the period to which we propose restricting our observations, is by far the most complete and satisfactory.

I. Since the discovery of America, the far greater part of our supplies of gold and silver have been derived from that quarter of the globe. From the moment that the American mines began to be wrought, down to our own times, the kings of Spain and Portugal levied a tax upon their produce; and it might have been supposed, that the amount of this tax would have afforded an easy and accurate measure of their productiveness at different periods. But these returns were studiously concealed from the public; and it is, besides, abundantly certain that large quantities of gold and silver found their way to market without paying the tax. Previously to the publication of the *Essai Politique sur la Nouvelle Espagne*, several estimates, some of them by individuals of great intelligence, had been framed of the importations of gold and silver from America. These, however, differed widely from each other; and their discrepancies sufficiently evince the defective information to which their authors had access; and in how great a degree their calculations were founded on conjecture and hypothesis. But all former estimates have been wholly superseded by the more extensive, laborious, and accurate investigations of M. Humboldt. Besides being acquainted with all that had been written on the subject, and having ready access to official sources of information unknown to all previous inquirers, M. Humboldt was well versed in the theory and practice of mining, and carefully examined several of the most celebrated mines. He was, therefore, incomparably better qualified for drawing correct conclusions as to the past and present productiveness of the mines, than any of those who had hitherto speculated upon such subjects. That his statements are in all respects accurate, it would be too much to affirm. Some of them have been suspected of exaggeration; and we are rather inclined to think that there are grounds for this suspicion; particularly as respects his accounts of the profits made by mining, and of the extent to which the supplies of the pre-

precious metals may be increased. But this criticism applies, if at all, in a very inferior degree to the accounts M. Humboldt has given of the total produce of the mines, and the exports to Europe; and, making every allowance for the imperfections inseparable from such investigations, it is still true, that the statements in question, and the inquiries on which they are founded, are among the most valuable contributions that have ever been made to statistical science. "The facts and calculations of M. Humboldt," says Mr. Jacob, "are presented to the public after so much consideration, and accompanied with so much discrimination and impartiality, that they may be in most cases implicitly adopted."—Vol. ii. p. 115.

According to M. Humboldt, the supplies of the precious metals derived from America have been as follows :

	<i>Dollars a year at an average.</i>
From 1492 to 1500, . . . . .	250,000
" 1500 to 1545, . . . . .	3,000,000
" 1545 to 1600, . . . . .	11,000,000
" 1600 to 1700, . . . . .	16,000,000
" 1700 to 1750, . . . . .	22,500,000
" 1750 to 1803, . . . . .	35,300,000

The extraordinary increase in the interval between 1750 and 1803, took place chiefly in Mexico. It was owing to a variety of causes; among the principal of which, M. Humboldt specifies the increase of population in the country, the progress of knowledge and of industry, the freedom of commerce granted to America in 1778, the greater facility of procuring the iron and steel required in working the mines, the fall in the price of mercury, the discovery of the rich mines of Catorce and Valenciana, and the establishment of the tribunal of the mines. (Tome iii. p. 299.)

The following is M. Humboldt's estimate of the annual produce of the mines of the New World, at the beginning of the present century:

*Annual Produce of the Mines of America at the commencement of the 19th Century.*

POLITICAL DIVISIONS.	GOLD.		SILVER.		<i>Value of the Gold and Silver in Dolls.</i>
	<i>Marcas of Castile.</i>	<i>Kilogs.</i>	<i>Marcas of Castile.</i>	<i>Kilogs.</i>	
Vice-Royalty of New Spain,	7,000	1,609	2,338,220	537,512	23,000,000
Vice-Royalty of Peru, . . .	3,400	782	611,090	140,478	6,240,000
Captain-Generals of Chili,	12,212	2,807	29,700	6,827	2,060,000
Vice-Royalty of Buenos Ayres,	2,200	506	481,830	110,764	4,850,000
Vice-Royalty of New Granada,	20,505	4,714	...	...	2,990,000
Brazil, . . . . .	29,900	6,873	...	...	4,360,000
<b>Total, . . . . .</b>	<b>75,217</b>	<b>17,291</b>	<b>3,460,840</b>	<b>795,591</b>	<b>\$43,500,000</b>

Taking the dollar at 4s. 3d. this would give £9,243,750 as the total annual produce of the American mines. M. Humboldt further estimated the annual produce of the European mines of Hungary, Saxony, &c. and those of Northern Asia, at the same period, at about £1,000,000 more.

M. Humboldt however admits, in the second edition of his work, that his estimate of the produce of gold in Brazil was too high. It might have applied to the period from 1752 to 1762; but since the latter epoch, the produce of gold, estimated by the produce of the tax paid to the crown, has declined more than a half. Mr. Jacob calculates that in the period from 1752 to 1794, the mines and washings of Brazil yielded in all £40,000,000, being at the rate of nearly £800,000 a year.

The proportion of the value of gold to silver, in antiquity, seems to have been about 12 or  $12\frac{1}{2}$  to 1. During the middle ages, the value of gold, as compared with silver, appears to have fallen; for in France and Holland, towards the middle of the 14th century, gold and silver were rated as  $10\frac{1}{2}$  and  $10\frac{3}{4}$  to 1. (*Recherches sur le Commerce*, tome ii. part ii. p. 142.) But since the discovery of the American mines, the value of gold has been gradually rising, as compared with silver, and at present they are to each other as  $15\frac{1}{2}$  to 1. It must not, however, be supposed that these fluctuations in the relative value of the precious metals correspond with, or depend upon, the fluctuations in the quantities of each that are brought to market. They result entirely from changes in the comparative cost of their production. There is no reason to think that the quantity of gold produced has ever amounted to a 15th or 20th part of the quantity of silver. At the commencement of the present century, the quantity of gold produced in America was to that of silver as 1 to 46; while in Europe, the proportion was as 1 to 40. (*Nouvelle Espagne*, tome iii. p. 401.)

From 1800 to 1810, the produce of the American mines went on increasing. But in the last mentioned year, those convulsions began which have established the independence of Spanish America, and produced an extraordinary revolution in the supply of gold and silver. The abuses inherent in the government of the Spanish colonies, the appointment of Europeans to all public employments, the corruption that universally prevailed in the administration of justice and the collection of the revenue, and the oppressive restrictions on their intercourse with foreigners, and with each other, imposed by the mother country, became more intolerable as the colonies increased in population and wealth. The occupation of Spain by the French merely accelerated a crisis that could not have been long averted. The eagerness with which individuals of all ranks and orders, in every part of America, crowded to the patriotic standards the moment they were unfurled, proves how generally the old system of government had been detested. The struggle was long and bloody; but it was maintained by the independents with a spirit that was proof against every disaster. The contest was peculiarly destructive to all great establishments, and especially to the mines. These principally belonged to old Spaniards, who were every where the objects of popular vengeance; and who mostly emigrated, carrying with them all the capital they could amass. But besides the injury done to the mines by this withdrawal of the capital employed upon them, the works of those of Guanaxuato, Valenciana, &c. were destroyed; and many more which escaped any direct injury, being abandoned by the workmen, were inundated, and became nearly useless. There are no means of accurately estimating the de-

cline in the produce of the mines that has actually taken place since 1810. But, according to Mr. Jacob, who has collected and compared all the existing information on the subject, the total produce of the American mines, inclusive of Brazil, during the twenty years ending with 1829, may be estimated at £80,736,768; being at the rate of £4,036,838 a year; less considerably than the half of their produce at the beginning, and during the first ten years of the century.

The European mines have also declined within the last twenty years; but there has been a material increase in the produce of those belonging to Russia. According to M. Humboldt, it amounts at present to about £1,250,000 a year. [1832.]

On the whole, therefore, the present annual average produce of the American and European mines, including those of Russia, may be estimated at between £5,500,000 and £6,000,000; being from £4,500,000 to £4,000,000 less than their annual produce at the beginning of the century.

This extraordinary falling off in the supply of the precious metals, has been supposed by many to be the principal cause of the fall of prices that has taken place since the peace; and though Mr. Jacob has not given any express opinion on the subject, we gather from his statements, that he is inclined to this view. But before proceeding to discuss this question, we shall take the opportunity of submitting some remarks with respect to the consumption of the precious metals. Mr. Jacob has collected many curious details in reference to this branch of the enquiry; but it is notwithstanding embarrassed with serious difficulties.

II. Gold and silver are applied either to the purposes of coin, or of the arts. Unluckily, however, there are no means by which to discover the proportion in which they are applied, at any given period, to these purposes; and the proportion is perpetually varying with the varying circumstances of each country;—as, for example, with the greater or less abundance of paper money, and the degree in which the use of coins is saved by the various devices practiced by means of banking and otherwise for economizing currency; the greater or less wealth of the inhabitants; the fashion as to plate; the feeling of security, and a thousand other circumstances, all of them liable to great, and sometimes sudden, changes.

The discrepancies in the estimates that have been formed by those best versed in statistical enquiries of the quantity of coined money existing in Europe, demonstrate the impossibility of coming to any very accurate conclusion with respect to it. According to M. Humboldt, the gold and silver coin existing in Europe in 1812, amounted to 1637 millions of dollars, or about 325 millions sterling. But M. Storch, who has examined this question with much attention, contends that Humboldt's estimate is exaggerated, and that the money in Europe does not exceed 1627 millions of roubles, or (reckoning the rouble at 3s. 4d.) 271 millions sterling. (*Cours d'Economie Politique*, tome iv. note 12.) Mr. Jacob seems, however, to have entertained a very different opinion of Humboldt's estimate; and instead of considering it as exaggerated, has concluded it to be very much below the mark. His supposition is,

that in 1809, the stock of coined money in Europe amounted to 380 millions; being 55 millions above Humboldt's estimate, and 109 millions above that of M. Storch. Mr. Jacob has arrived at his conclusions in a manner different from, but not, as we think, more satisfactory than Humboldt and Storch. Were it necessary to select from among such discordant statements, we should prefer that of M. Storch to either of the others. It is founded principally on a comparison of the accounts given by the best statistical writers, in the different countries, of the quantity of coin in each; and this appears the only safe mode of arriving at any thing like a tolerable approximation to the total amount. Humboldt comes to his conclusions chiefly by determining the proportion between the coin and population of France;—supposing that the coin of other countries will be in a somewhat similar proportion to their population. Mr. Jacob, on the other hand, begins by estimating the quantity of gold and silver coin existing in Europe in 1600, and then striking a balance between the additions made to this quantity during the next 200 years, and its diminution from abrasion and otherwise, he arrives at the result above stated. Every one, however, must see that it is impossible to attach any confidence to investigations conducted in this way. They involve so many hypotheses and assumptions, that if they ever happen to be correct, it must be accidentally only.

Mr. Jacob has entered into some very elaborate details in his twenty-third chapter, as to the abrasion of coins, or their loss by wear. This, of course, must differ at different periods, according to the goodness of the coin, and still more, perhaps, the rapidity of circulation, the absence or frequency of hoarding, &c. Mr. Jacob states that the average annual loss of the British gold coins by wear, may be estimated at one part in 950; and that of the silver coins at one part in 200. He, however, states, that "practical men, to whom the subject of the loss of the metals has been one of much consideration, from being of importance in their several branches of the gold, silver, and jewelry manufactures, commonly calculate a much greater degree of loss of silver than is here shown. One gentleman, of great accuracy and acuteness, and much conversant in the application of those metals in his manufactory, communicates his opinion thus:—'The loss on coined silver is full one hundredth part, or one per cent. per annum. If 100 pieces of 1815 and 1816, and upwards, to the last date on the silver coin, be examined, it will give this result. Though this loss is much greater than on gold, it is easily accounted for; for first, the same degree of friction will produce a greater diminution of weight; and secondly, the constant and never-ceasing circulation of the silver coinage, far exceeds that of gold, since it never will be hoarded or kept in a state of rest, it not being a measure of value in this country, but a token or representative of value.'"—(Vol. ii. p. 185.)

Mr. Jacob, however, has omitted to observe, that the loss of coins by abrasion does not fairly represent their total wear and tear. To measure the latter, the quantities lost by fire, shipwreck, and other accidents, must be allowed for. The loss from these sources can only be guessed at, but it must not therefore be overlooked; and adding it to

the loss by abrasion, the total loss may perhaps amount, at an average of the gold and silver coins of Europe, to about three-fourths per cent.; so that estimating the total amount of coined money in Europe at £280,000,000, it would require an annual supply of £2,100,000 to keep it up to its level.

Difficult, however, as it certainly is, to arrive at any safe conclusion as to the consumption of gold and silver in coin, it is far more difficult to estimate their consumption in the arts. Even as respects the quantity wrought up into articles of plate, which are assayed and charged with duties, it is not possible to arrive at any very precise results; and when to these we add the quantities consumed in plating, in the manufacture of lace, china and earthenware, and in gilding of rooms, picture frames, and other articles of furniture, bookbinding, &c. it will be apparent that the most carefully drawn up estimate of the total consumption in such various channels, can only be regarded as a very rude approximation to the truth.

According to Mr. Jacob, the value of the precious metals annually applied to ornamental and luxurious purposes in Europe, may be estimated as follows:

Great Britain, . . . . .	£2,457,221
France, . . . . .	1,200,000
Switzerland, . . . . .	350,000
Remainder of Europe, . . . . .	1,605,490
Total, . . . . .	£5,612,711

And adding to this the sums directly applied to the same purposes in America, the whole will be about £5,900,000.

Mr. Jacob has been at great pains in collecting materials on which to found this estimate. Still, however, it appears to us to be not a little wide of the mark. Those practically engaged in the details of any business, are very apt unconsciously to exaggerate its value and importance; so that statements as to its aggregate amount and value, derived from such sources, must be taken with very considerable modification. We cannot help thinking that Mr. Jacob has made too little allowance for this tendency to magnify; and that his estimate of the consumption of gold and silver is decidedly too high. Mr. Chabrol (whose researches are far more worthy of confidence than those of M. Chaptal, to which Mr. Jacob refers) estimates the consumption of gold and silver in the arts at Paris, at 14,552,000 francs a year; (*Recherches Statistiques sur la Ville de Paris*, 1823, Tab. 85,) and this estimate corresponds with that deduced by M. de Chateaufort, from his elaborate enquiries. (*Recherches sur les Consommations de Paris en 1817*, 2de partie, p. 73.) Both these authorities agree that the consumption of the precious metals in the arts at Paris, is double that of the rest of France; so that we have 21,828,000 francs for the consumption of the entire kingdom. But supposing it to amount to 25,000,000 francs, it would, at the exchange of 25.20, be under £1,000,000 sterling; or more than £200,000 below Mr. Jacob's estimate.

But the principal exaggeration consists, as it appears to us, in the estimate of the consumption of Britain. According to Mr. Jacob, it



exceeds considerably that of all Europe besides. Although, however, the use of plate be more generally diffused amongst us than any where else, it is otherwise with trinkets, which are more abundant in several parts of the continent than in England. Many of the continental nobility, particularly those of Russia, have very large quantities of plate; and as the taste for gilt articles is more general among the wealthy classes in most parts of the continent than in England, we cannot bring ourselves to believe that the proportional consumption of gold and silver in the latter, is nearly so great as Mr. Jacob has stated.

M. Chabrol states, that the value of the workmanship on articles of gold, plate, and jewelry, is to the value of the gold as seven to five, and in those of silver as five to nine. Now, unless this statement be very wide of the mark, we shall be warranted, taking the duty into account, in supposing that the value of the bullion used in the arts in this country, is at least doubled in its price before it reaches the consumer. Hence, according to Mr. Jacob's estimate, the people of Britain annually spend upon articles of plate, jewelry, &c. £4,914,442. The annual expenditure of so vast a sum for such objects, seems quite incredible. It amounts to more than the whole sum, duty included, paid annually for wine; and to more than two-thirds of the whole sum, duty included, paid annually for tea! But those who compare the expenditure of a number of families, taken at random from the different ranks of society, will be satisfied that the payments made by them on account of articles of plate, jewelry, gilding, &c. bear a comparatively small proportion to their payments on account of the articles just mentioned.

On the whole, we should not be disposed to rate the annual consumption of the precious metals, in the arts, in Great Britain, at above £1,600,000, or £1,800,000. In our view of the matter, the consumption of Europe might be stated as follows:

Great Britain, . . . . .	£1,800,000
France, . . . . .	1,000,000
Switzerland, . . . . .	350,000
Rest of Europe, . . . . .	1,100,000
Total, . . . . .	£4,250,000

Probably even this estimate is too high. In the last edition of his *Essai sur la Nouvelle Espagne*, Humboldt has entered into some elaborate investigations as to this point; the result of which is, that the entire consumption of the precious metals in Europe, in the arts, may be estimated at 87,184,800 francs, equal, at the exchange of 25.20, to £3,459,714; being £790,286 under the preceding estimate, and no less than £2,152,997 under that of Mr. Jacob.

It must not, however, be supposed, that the whole of the gold and silver annually made use of in the arts, is derived from the mines, or from the fusion of coin. A certain portion of it is, as every one knows, obtained from the melting of old plate, the burning of picture frames, lace, &c. But it is quite impossible to determine the proportion which the supply from this source bears to the total consumption. The estimates on this head differ exceedingly. Mr. Jacob supposes

that the supply derived from the fusion of old plate, and such like sources, amounts to only *one-fortieth* part, or  $2\frac{1}{4}$  per cent. of the total quantity wrought up; but this is certainly very much under its real amount. Most part of the precious metals employed in plating, gilding, &c. is irrecoverably wasted; but the quantity used in this way is very much below the quantity used in the manufacture of plate, watch-cases, and other articles of that description; and these, when they either become unfashionable, or are broken, or injured, are, in most instances, sent to the melting-pot. Necker and Gerboux, both very high authorities on questions of this sort, concur in supposing that *a half* of the gold and silver used in France by jewellers, goldsmiths, &c. is obtained from the fusion of old articles; and it is of importance to observe, that two very able statistical enquirers, M. Peuchet (*Statistique Elementaire*, p. 429,) and M. Humboldt, (*Nouvelle Espagne*, III. p. 467,) have quoted this estimate without insinuating any doubt as to its correctness.

But we are, notwithstanding, inclined to suspect that this estimate is nearly as much above the mark as Mr. Jacob's is obviously below it. Assuming, therefore, that at a medium, 20 per cent. or one-fifth part of the precious metals annually made use of in the arts, is obtained from the fusion of old plate, we shall have, by deducting this proportion from the £4,250,000 applied to the arts in Europe, £3,400,000 as the total quantity of gold and silver dug from the mines, or taken from coin, annually appropriated to them in this quarter of the world; and adding to this last sum £300,000 for the total quantity of the precious metals used in the arts in America, we have, in all, £3,700,000 of new metal annually devoted to ornamental and luxurious purposes.

We have already seen that the total annual produce of the mines may, during the last five years, be estimated at from £5,500,000 to £6,000,000; and deducting from this the above sum of £3,700,000, there remains an annual supply of about £2,000,000 to be converted into coin, or exported to the East. At present the produce of the mines is probably rather above £6,000,000; and if so, the free surplus will exceed £2,300,000.

But before adverting to the question agitated by Mr. Jacob, as to the increase or diminution of coin during the last twenty years, it will be necessary to offer a few remarks on the practice of burying treasure, and on the trade with India and China.

It is singular that Mr. Jacob should have made no allusion, in estimating the consumption of the precious metals, to the practice now alluded to. It has always prevailed in countries harassed by intestine commotions, and exposed to foreign invasion. Of the hoards so deposited in the earth, a very considerable proportion have been altogether lost; nor can there be any doubt that this has been one of the principal means by which the supply of the precious metals has been kept down to the present level. Every one knows that during the middle ages, *treasure trove*, or money dug from the ground by chance-finders, belonged to the crown, and formed no inconsiderable part of the royal revenue, both here and elsewhere. The practice has always prevailed to a very great extent in Turkey, and other eastern countries, where the appearance of wealth exposes to extortion, and nothing is deemed

secure that is not buried in the earth. Bernier remarked the prevalence of this custom in India; (*Voyage*, Amst. 1710, tom. i. p. 209,) and Mr. Luke Scrafton, in his celebrated tract on the Government of Hindostan, has adverted to it as follows:—"The rajahs never let their subjects rise above mediocrity, and the Mahometan governors look upon the growing riches of a subject as a boy does on a bird's nest; he eyes their progress with impatience, and comes with a spoiler's hand and ravishes the fruit of their labor. To counteract this, the Gentoos bury their money under ground, often with such secrecy as not to trust even their own children with the knowledge of it; and it is amazing what they will suffer rather than betray it. When their tyrants have used all manner of corporal punishments on them, they threaten to defile them; but even that often fails, for resentment prevailing over the love of life, they frequently rip up their bowels, or poison themselves, and carry their secret to the grave; and the sums lost in this manner in some measure account why the silver in India does not appear to increase, though there are such quantities continually coming into it, and none going out."—(2d edit. p. 16.) But the practice is not confined to India and Turkey, Persia and other eastern countries. Mr. Wakefield tells us that it is common in Ireland. (*Statistical Account of Ireland*, vol. i. p. 593.) It has always prevailed to a very considerable extent in Russia and France; and in the latter, during the revolutionary anarchy, immense sums were buried, of which it is abundantly certain a large portion will never be recovered. The wars and convulsions with which Europe was afflicted for more than twenty years, extended the practice to all parts of the continent; withdrawing in this way from circulation a very considerable part of the increased produce of the mines. (*Storch, Economie Politique*, tom. i. p. 221. Paris, 1823.)

Next, however, to the consumption of bullion in the arts, the greatest portion of the produce of the European mines, and of the imports from America into Europe, was, until very lately, exported to the East. The ancient writers universally complain that the Arabians, Indians, and other eastern nations, from whom the Greeks and Romans imported frankincense and other drugs, pearls, silks, &c. took nothing in exchange but bullion. Pliny, speaking on this subject, says, "*Minimaque computatione millies centena millia sestertium annis omnibus India et Seres, peninsulaque illa (Arabia,) imperio nostro adimunt.*" (*Hist. Nat.* lib. xii. cap. 18.) During the middle ages, and down to our own day, bullion continued to be the most advantageous article of export to the East. Humboldt, whose researches have shed so much light on all that regards the supply and consumption of the precious metals, estimated, that of the entire produce of the American mines at the beginning of this century,—amounting, as already seen, to \$43,500,000, no less than \$25,500,000 were sent to Asia; \$17,500,000 by the Cape of Good Hope, \$4,000,000 by the Levant, and \$4,000,000 by Kiachta and the Russian frontier. Latterly, however, this immense drain has almost entirely ceased. In 1818—19, the East India Company exported £982,000 of bullion to the East Indies and China, and in the following year they exported £530,000; but since then they have not exported a single shilling, nor has any been sent out by the private traders. (*Parl.*



*Paper*, No. 22, Sept. 1830.) The exports of bullion by the Americans to Calcutta and Canton, which were formerly considerable, have now also nearly ceased. This extraordinary revolution in Eastern commerce seems to be entirely owing to the vast increase in the exportation of cotton goods and twist to the East, since the opening of the trade in 1814; and to the increase in the exportation of opium from India to China. The real value of the cottons exported to countries eastward of the Cape of Good Hope in 1814, did not amount to £110,000, whereas they now amount to little less than two millions! The exports of opium from India to China have increased during the same period with hardly less rapidity, and their value amounts, at present, to about £3,000,000 a year. On the one hand, therefore, the exports of opium from India furnish a fund adequate to pay the tea and other articles imported from China; while, on the other hand, the exports of cottons and other articles to India, not only suffice to pay for the Indian goods imported, but furnish a balance to defray the greater part of the price of the Canton exports to Europe and America; the balance being extinguished by shipments direct to Canton, of woollens, furs, &c.

It would seem too, that the efflux of bullion from Russia to China, estimated by Humboldt at \$4,000,000, has not only ceased, but, that the current has begun to set in the opposite direction. "Instead of Russia," says Mr. Jacob, "having any necessity to convey silver to the eastward, she now receives it from that part of the globe. Thus it is seen that in 1829, there were received at Petropaulonsk from China 2460 oz. of silver, and in 1830, 3578 oz. At Semipalatinsk there were received 83,700 oz. in 1829, and 89,640 oz. in 1830. There were also brought to Irbit, in 1830, 94,500 oz. of silver."—(Vol. ii. p. 320.)

If there be any sums still exported by way of the Levant, which is doubtful, they are quite inconsiderable. "The value of the silk, of the opium, and of the other drugs which are furnished by Asia, as far as the trade of Constantinople and Smyrna extends, is more than equalled by the value of the goods sent to those markets from Europe. This has especially been the case since the vast extension of the various kinds of English cotton goods has in some measure supplanted the use of Indian articles of that description in the Turkish dominions."—(Vol. ii. p. 321.)

III. It has been customary in this country to ascribe almost the whole fall that has taken place in the price of most commodities since the peace, to the diminished supply of bullion from the mines. The statements in Mr. Jacob's work tend to confirm this opinion. It would appear from his researches, that the consumption of the precious metals during the last twenty years has uniformly exceeded their supply; so much so, that he supposes the stock of coined money in Europe has been diminished in that interval about a *sixth part*, or 16 $\frac{2}{3}$  per cent.; being reduced from £380,000,000 to £313,388,560. But if the statements we have laid before the reader be nearly correct, no such diminution can have taken place. It is obvious too, unless there be some very great error, which Mr. Jacob does not allege, in Humboldt's estimate of the quantity of the precious metals exported to Asia, that the stoppage of that drain has fully counterbalanced the diminished produc-

tiveness of the mines. Admitting, for example, that at an average the mines produced \$45,000,000 previously to 1809, and that the exports to Asia amounted to only \$20,000,000, (\$5,500,000 below Humboldt's estimate,) there would remain \$25,000,000, or (at 4s. 3d. per dollar) £4,687,500 for the supply of Europe and America. Now, this latter sum, it will be observed, is only £650,000 above Mr. Jacob's own estimate of the present produce of the American mines; and this defalcation has been more than made up by the increased productiveness of those of Russia. Hence it appears, even after 20 per cent. is deducted from Humboldt's estimate of the bullion sent to Asia, that the supplies of the precious metals furnished to Europe, and applicable to the purposes of coin and the arts, are *as large at this moment as they have ever been at any former period*. There are numerous circumstances, too, that will readily suggest themselves to the reader, which make it apparent that the same supply of coin will now go much farther than it did during the war. Were the decrease in the quantity of coin since 1820 even greater than Mr. Jacob has stated, we believe that the circumstances now alluded to would suffice to prevent that diminution from having any sensible effect on prices.

The greater security and tranquillity enjoyed on the continent since the peace, must not only have put a stop to that burying of treasure previously so prevalent, but must have caused the bringing to light of many of the subterranean hoards. The institution of Savings Banks, now so common every where, has also had a powerful influence in preventing hoarding; and has brought a very considerable quantity of coin into circulation, that would otherwise have been locked up in the chests or pockets of individuals. We have heard the influence of the Savings Banks established in this country, estimated as being equal, in the respect now mentioned, to an addition of £2,000,000 to the metallic currency of the empire.

The cessation of the demand that existed during the war for money for military chests, and the pay of the armies, must have rendered at its close a very considerable additional quantity available for ordinary purposes. Government paper money has certainly been diminished in most countries since 1815; but on the other hand, there has been a vast increase of the quantity of mercantile paper, which, though not money, performs most of its functions, and is employed in all commercial countries to an incomparably greater extent than coin, and its representative, paper immediately convertible into coin.

We are glad to be able to quote Mr. Jacob's authority in favor of what is now stated. "In 1810," he observes, "from the whole of Europe being engaged in war, both the treasuries of the several states, and the military chests of the various armies, must have caused a large quantity of the existing money to have been in a state of inactivity. The difficulty of conveying money from place to place was great, and the internal negotiation of bills of exchange in most parts of the continent was suspended. Each man who had money, kept it by him, instead of lodging it in the hands of banks or bankers, because none of them enjoyed security, or possessed credit. In 1830 the case was *altes d.* The conveyance of money was easy, secure, and especially

rapid. If gold was more valuable in one place than in others, a few hours would convey it by steam-vessels to the place where it was wanted. Banks were established every where, which furnished inland bills to the parts of the same country, and foreign bills to other countries, which in many cases made the removal of specie unnecessary. The exchequers of states could rely on their credit to supply the place of money till it could be collected from the regular sources, and as no drain was kept on foot, there was no money kept in a state of inactivity in the military chests."—(ii. 373.)

On the whole, therefore, we think we may fairly conclude, *first*, that the quantity of the precious metals annually introduced into Europe, and applicable to the purposes of coin and the arts, is as great at present as at any former period, or, perhaps, we should say greater; *second*, that the quantity of coin existing at this moment in Europe is fully equal to the quantity existing in it in 1810, or that if there be any diminution, it is but inconsiderable; and, *third*, that owing to the greater security and tranquillity that has prevailed since the peace, the cessation of hoarding, and the increase of all sorts of bank and mercantile paper, the quantity of *currency* in Europe at present is very materially greater than at any former period.

It is contended, however, that the fall which it is affirmed has taken place in the price of *all* commodities since 1814, proves beyond dispute that the value of money must have sustained a corresponding advance; and that, consequently, the above conclusions cannot be well founded. But though the fall of prices has been pretty general, it has not been universal; and it must be remembered, that the price of commodities will be reduced as well from a decline in the cost of their production, or by the opening of new markets whence they may be obtained on cheaper terms, as from a rise in the value of money. Now, we contend that this has been the case with all the commodities that have fallen in price since the peace; and we venture to affirm, that there is not one amongst them, without any exception whatever, the decline in the price of which may not be satisfactorily accounted for, without supposing any change in the value of gold and silver. To enter fully into this branch of the subject would require more space than we can now devote to it; but, as it is of great practical importance, we may probably resume the discussion at an after period. At present it is sufficient to observe, that the fall in the price of corn on the continent since the peace, is completely accounted for by the extension of cultivation in France, Prussia, and generally in other countries; by the splitting of large estates, the complete subversion of the feudal system, and the tranquillity, so indispensable to agricultural pursuits, that is now enjoyed. In this country, the reduction in the price of corn is owing partly to the modifications that have been introduced into our corn laws; partly to the expenses of the importation of corn from the continent being reduced to a fifth or a sixth part of what they amounted to during the latter years of the war; and partly, and perhaps principally, to the increased importations from Ireland. Previously to 1806, the imports from the latter had never in any one year exceeded 400,000 quarters; but such has been their increase since, and more

especially within the last few years, that they now amount to above 2,500,000 quarters! Indeed, we have no hesitation in saying, that if any thing like tranquillity and good order were introduced into Ireland, a very slight degree of improvement in her agriculture would occasion such an increased production of corn, that we should, at no distant period, be quite independent of foreign supplies, and would most probably export to Amsterdam. The price of iron does not at present exceed a third part of its price in 1824 and 1825; but instead of wondering at this fall, the only real ground for surprise is, that it has not been greater. The iron made in Great Britain in 1820 is supposed to have amounted to 400,000 tons; but in consequence of the adventitious excitement of 1824 and 1825, iron works were so much multiplied, that the quantity produced in 1827 was increased to 690,000 tons. In 1828 the production was still greater, and it has not been materially diminished since. Unluckily, however, the demand has not increased in any thing like the same proportion. The greater number of the rail road projects afloat in 1825 have been either wholly abandoned, or deferred to some future period; so that the immense additional supplies not meeting with any new outlets, have glutted the market to an extent never previously known. The fall in the price of lead has also been very considerable. It is not confined to England, but is felt every where; and is admitted to be entirely owing to the extraordinary productiveness of the mines of that metal that are now wrought in Andalusia. The fall in the price of wool is completely accounted for by the extraordinary increase of merino sheep in Germany, where they succeed better than in Spain; and by the growing imports from New Holland. During the war, our imports of wool from the former were absolutely nothing, whereas they now exceed the enormous amount of 26,000,000 lbs.; from New Holland and Van Dieman's Land the imports already exceed 2,000,000 lbs.; and it is impossible to imagine the extent to which they may, and most probably will, be increased. The fall in the price of pepper, and other eastern commodities, is unquestionably owing to the opening of the trade with India in 1814; and to the influence of that free competition, that was then, for the first time, introduced into Indian commerce. Every one knows that the fall in the price of sugar, and other colonial products, is the result of the abolition of the old colonial monopolies of Spain and Portugal, and of the unprecedented extension of cultivation in Brazil, Cuba, Louisiana, Demerara, the Mauritius, &c. In short, we deny that it is possible to specify a single commodity that has declined in price since 1814, the fall of which may not be clearly traced to circumstances altogether independent of a rise in the value of money.

Nothing, of course, but conjecture can be indulged in as to the future productiveness of the mines. We should think, however, that a very considerable increase may be fairly anticipated. Anarchy is beginning to cease throughout Spanish America; in some provinces the foundations of good order seem to be already laid; and the working of the mines has been resumed with greater ardor. It will be much for the advantage of this and other countries that their produce should attain to its old amount; for the widest experience attests the soundness of



Hume's opinion as to the beneficial influence of an increasing supply of gold and silver.

In concluding these remarks, we beg again to recommend Mr. Jacob's enquiries to the attention of all who are desirous of information on the subjects, alike curious and important, which they embrace. Though unable to agree with him in all his conclusions, we have been much pleased with the liberal and candid spirit in which his investigations have been conducted. His work was undertaken, as we learn from the preface, at the suggestion of the late Mr. Huskisson—a suggestion which must be allowed to be creditable alike to the statesman who made it, and to the person to whom it was addressed; and we may add, that it is but seldom a difficult task, undertaken upon the recommendation of another, has been so well executed.

## FLUCTUATIONS OF THE FUNDS.

### ENGLAND AND FRANCE.

*Prices of the leading Stocks on the 1st of January, 1848 and 1849, and their highest and lowest prices during 1848.*

STOCKS AND SHARES.	January 1, 1848.	January 1, 1849.	Highest price, 1848.	Lowest price, 1849.
Consols, . . . . .	85	88 $\frac{1}{2}$	90	80 $\frac{1}{2}$
Exchequer Bills, . .	12s. pr.	42s. pr.	48s. pr.	5s. pr.
RAILWAYS.				
Blackwall, . . . . .	8 $\frac{1}{2}$ dis.	8 $\frac{3}{4}$ dis.	7 $\frac{1}{2}$ dis.	9 $\frac{1}{2}$ dis.
Brighton, . . . . .	7 $\frac{3}{4}$ "	18 $\frac{3}{4}$ "	5 $\frac{1}{4}$ "	25 "
Birmingham, . . . .	2 $\frac{1}{2}$ pr.	5 pr.	5 $\frac{1}{2}$ pr.	2 pr.
Caledonian, . . . . .	14 dis.	28 $\frac{1}{2}$ dis.	13 $\frac{1}{2}$ dis.	33 $\frac{3}{4}$ dis.
Eastern Counties, . .	4 $\frac{1}{2}$ "	8 $\frac{1}{2}$ "	3 $\frac{3}{4}$ "	8 $\frac{1}{2}$ "
Great Western, . . .	7 $\frac{1}{2}$ pr.	10 "	15 $\frac{1}{2}$ pr.	24 $\frac{1}{2}$ "
London and N. W. . .	48 "	25 pr.	54 "	1 "
Midland, . . . . .	9 "	14 dis.	17 pr.	36 "
North Stafford, . . .	$\frac{1}{2}$ dis.	4 $\frac{1}{2}$ "	$\frac{3}{4}$ "	9 "
South-Eastern, . . .	3 $\frac{1}{2}$ "	9 $\frac{1}{4}$ "	1 $\frac{1}{2}$ dis.	13 $\frac{1}{2}$ "
South-Western, . . .	9 $\frac{3}{4}$ pr.	9 $\frac{1}{2}$ "	14 $\frac{3}{4}$ pr.	14 $\frac{1}{2}$ "
York and N. M. . . .	22 $\frac{1}{2}$ "	4 pr.	29 "	9 "
CONTINENTAL.				
Boulogne and Amiens, .	6 dis.	11 $\frac{1}{2}$ dis.	5 $\frac{3}{4}$ dis.	15 $\frac{3}{4}$ dis.
Northern of France, . .	1 $\frac{1}{4}$ pr.	4 "	2 pr.	8 "
Paris and Lyons, . . .	4 $\frac{1}{2}$ dis.	4 "	9 dis.	

In 1847 the range of fluctuation in Consols was full 15 per cent., being greater than had been known for 18 years, while it also considerably exceeded the range during the respective years of the declaration of war against Great Britain by the French Convention, the first bank suspension, 1797, the Irish rebellion, and the battle of Waterloo. During the year 1848 it has been 10 per cent., namely, from 90 to 80, which is quite equal to what on the average took place on those occasions.  
[*London Times*, January 1, 1849.]

## EXCHANGE BETWEEN ENGLAND AND THE UNITED STATES.

*A Table showing the Rate of Exchange on England, at New York, for the first packet of each month, from January, 1922, to December, 1948. (The prices quoted are in each instance the rate charged for A 1 Bills. Good but not well-known Bills usually could have been bought for a fraction less.)*

	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	Dec.
1922 . . . . .	12½	14½	13	13	12½	8	10	10	11	12½	13	12½
1923 . . . . .	12½	11	11	3½	4	5½	5½	7½	6½	7	7½	7½
1924 . . . . .	7½	7½	8½	9	8½	10	9	8½	9½	10	9½	9½
1925 . . . . .	9½	10	9½	9½	8	5	5½	5	7½	10½	9½	9
1926 . . . . .	8½	8½	8	7½	10	9½	10½	10	11	12½	11½ a 12	11½
1927 . . . . .	11½	10	10	10½	10½	11	10	10	11	11	11½	11½
1928 . . . . .	11	10½	11½	11	10½	11	10½	9½	10½	11½	11	9½
1929 . . . . .	8½	8	8½	8½	9½	9	8½	9½	9½	9½	9½	9½
1930 . . . . .	9½	8½	8½	8	7	7	6	6½	6½	6	7	6½
1931 . . . . .	6½	6½	6½	7	9½	7½	10	10	10½	10½	10½	10
1932 . . . . .	10	9½	9½	9½	10½	9½	9½	7	8½	8	8	8½
1933 . . . . .	8	8	8	8	8½	8½	8½	8½	8½	7½	7½	5½
1934 . . . . .	2	99	99½	1	3½	2	2½	5	6½	7½	7	6
1935 . . . . .	7	7½	7½	8½	8½	9½	9½	9½	9	9½	9½	9½
1936 . . . . .	8½	10	9½	7½	7	7	7½	7½	7½	8½	8½	9½
1937 . . . . .	7½	9½	8½	11½	11	13	18	19½	21	14	16	14
1938 . . . . .	9½ a 10	9	7½	4½ a 5	6½ a 7	8	8½	7½	9½	9½	9½	10
1939 . . . . .	9½	9	8½	9½	8½	9½	9½	9½	9	10	9	9
1940 . . . . .	8	8½	8	7½	8	7½	7	7	7	8½	8½	8½
1941 . . . . .	8½	8	8	7	7½	8½	8½	8½	9	9½	10	9½
1942 . . . . .	8½	8½	8½	6½	7½	8	7½	6½ a 6½	7½ a 7½	8 a 8½	6½	6½
1943 . . . . .	5½	5½	6	5½	7½	8½	8½	9½	9½	9½	8½	8½
1944 . . . . .	8½	8½	9	8½	8	8½	9½	9½	9½	10	10	10
1945 . . . . .	10	10	9½	9½	9½	9½	10	10	9½	9½	9½	8½
1946 . . . . .	8½	8½	8½	10	10	9½	8½	8	9½	9½	6	6½
1947 . . . . .	5½	6½	5½	4½	6½	7½	6½	6½	7½	9	10	10½
1948 . . . . .	10½	10½	10	10	10½	10½	10	9½	9½	9	8½	8½

# STOCKS IN NEW YORK.

*Quotations of the Selling Prices of Active Stocks in the City of New York for each month during the year 1848.*

	Jan.	Feb.	March.	April.	May.	June.	July.	August.	Sept.	Oct.	Nov.	Dec.
Treasury Notes, 6's, . . . . .	99½	99½	101½	101½	102½	102½	104½	103½	103½	103	102½	105
United States 6's, 1867, . . . . .	100	102½	102½	104½	104½	104½	104	104	104	104½	108	107½
Ohio 6's, . . . . .	96½	96½	100½	97½	98½	100½	100	99½	100	100	100½	101½
Kentucky 6's, . . . . .	95½	95½	99	98½	98	100	101½	98	97½	97	97½	98½
Pennsylvania 5's, . . . . .	71½	71½	73½	73	73½	74½	76	73½	73½	73½	73½	74½
Illinois, . . . . .	41½	41	45½	44	43½	44	45	41	41½	42	40½	41½
Indiana State 5's, . . . . .	50½	51	51½	53½	53½	55	50	52	54	55	55	54½
Reading Rail Road Bonds, . . . . .	65	62½	63	54½	56	58	58½	58	55½	54½	57	58
Reading Mortgage Bonds, . . . . .	61½	59½	61½	60½	62	62	64½	65	67½	61½	62½	61½
Reading Rail Road, . . . . .	58½	49½	44	37½	33½	36½	34½	34	33½	32	32½	29
Norwich and Worcester, . . . . .	36½	40½	38½	36½	33½	27½	33½	30½	33½	31½	32	32
Erie Rail Road 7's, . . . . .	...	...	...	...	99½	98½	94½	95	95	93	89½	91½
Erie Rail Road, Old, . . . . .	62½	65	65½	60	60½	58½	60	58	60	58	53½	54
Erie Rail Road, New, . . . . .	77½	77	76½	69½	70	70	67½	62	65½	62½	58½	60½
Harlem Rail Road, . . . . .	39½	43½	44	52½	53	58½	54½	51½	53½	53	48½	49½
Long Island, . . . . .	26½	28½	30½	30½	30½	29½	28½	26½	26½	26	20½	18½
Mohawk, . . . . .	66	66	80	71	73	77	68	68	70	72½	73	75
Stonington, . . . . .	54	54	60½	60	60½	55½	54	54	54	54	52	45
Farmers Loan, . . . . .	26½	28½	30	29½	29½	28½	28½	27	28½	27½	26	27½
Canton Company, . . . . .	28½	33½	34½	33	32½	32	34½	32	34	33	29½	30½
Morris Canal, . . . . .	9	9	11½	11	9½	8½	10½	9	9½	9	7½	7
Vicksburg, . . . . .	7½	5½	5½	5	4½	4½	4	4	4	4	5½	5
United States Bank, . . . . .	3	3	3½	3½	3	3	3½	2½	2½	2½	2½	2½
North American Trust, . . . . .	8½	8½	11	9	9½	9½	10	9½	8½	9½	9	8
New York and New Haven R. R., . . . . .	92	91	85½	87½	88	88	82	81½	79½	81½	82	81
Hudson River Rail Road, . . . . .	70	69	68½	62½	55	67	67	65	65	59	52½	56
Utica and Schenectady Rail Road, . . . . .	115	118	117	130	116½	119½	119	114½	114	115	115	118

## ENGLISH STOCKS.

*Highest and Lowest Prices of the principal Government Funds during each month, from November, 1847, to October, 1849.*

1847-8.	Bank Stock.	3 per ct. reduced.	3 per ct. Consols.	3 per ct. Annuities, 1726.	New 3½ per cent.	New 5 per cent.	Long An- nuities, 1860.	Long An- nuities, 1859.	Long An- nuities, 1860.	India Stock.	South Sea Stock.	Exchequer Bills, £1000.
1947: November, . . . . .	{ 189	83½	85½	...	85½	...	8½	8½	8½	235	93½	2s. pm. at 2d.
	{ 186	81	82	...	81½	...	8½	8	8½	228	91½	20 dis.
December, . . . . .	{ 189	85½	86	...	86½	...	8½	8½	8½	235	94½	12s. pm. at 3d.
	{ 186½	84	85½	...	85½	...	8½	8½	8	235	92½	2 pm.
1848: January, . . . . .	{ 202	89½	89½	90½	90½	114	9	8½	8½	243	96	35 "
	{ 187	84½	85½	89½	86	108½	8½	8½	8½	227	93	12 "
February, . . . . .	{ 202	89½	89½	87½	90½	...	9	8½	8½	245	98	41 "
	{ 191	81½	81½	...	82½	...	8½	8½	8½	230	95½	5 "
March, . . . . .	{ 194	82½	83½	79½	83½	...	8½	8½	8½	253	89½	35 "
	{ 191	80½	80½	...	82½	...	8½	8½	8½	...	86	13 "
April, . . . . .	{ 189	81	82½	...	82½	104	8½	8½	8½	231½	88½	45s. pm. at 2½d.
	{ 185½	78½	80	...	79½	...	8½	8	8½	227	85	33 pm.
May, . . . . .	{ 193	82½	84½	82½	83½	108	8½	8½	8½	234	92½	47 "
	{ 189	81½	83½	80½	82½	107	8½	8½	8½	229	90	30 "
June, . . . . .	{ 193	84½	84½	81½	85	111	8½	8½	8½	234	92½	41s. pm. at 2d.
	{ 189	82½	83½	81	83½	...	8½	8½	...	231	90½	32 pm.
July, . . . . .	{ 198½	89	88½	84	89½	109	9½	8½	8½	245	97½	52 "
	{ 190	85	85½	...	85½	...	8½	8½	8½	239	96½	32 "
August, . . . . .	{ 199	87½	87½	...	87½	112	9	8½	8½	243	97½	39 "
	{ 196	85½	85½	...	85½	109	8½	8½	8½	238	...	21 "
September, . . . . .	{ 198	86½	86½	...	87½	...	8½	8½	8½	240	95	31 "
	{ 196	85½	85½	...	86½	...	8½	8½	8½	235	...	22 "
October, . . . . .	{ 190	84½	86½	84½	85½	112	8½	8½	8½	237	95½	40 "
	{ 183	83½	84½	84½	84	108½	8½	8½	8½	234	92½	29 "

*The French Funds.*

In the year of grace, 1805, before the battle of Austerlitz, the public (French) funds stood at 61 francs. On the arrival of the news of that great victory they fell to 59 francs 80 centimes. A glorious peace raised them to 60 fr. 60 centimes.

Before the birth of the King of Rome (20 April, 1811,) the price was 81 francs 50 centimes. The day following that event the price fell to 78 francs 75 centimes.

In 1814, before the fall of the emperor Napoleon, the funds stood at 45.25. After the entrance of the allied armies into Paris they rose to 49.50. A provisional government was appointed and they rose to 52 francs. The deposition of the emperor was decreed and they rose to 55.75. His abdication raised them to 63.50.

In 1815, before the landing of the ex-emperor at Cannes, the funds stood at 84.61. On the news of his arrival they fell to 77.60. After his re-entry into Paris they stood at 73. He set out for the army, encouraged by a fall to 54.75. He gained the battle of Ligny, and they declined to 53.50. Yet after the disaster at Waterloo, they rose to 59.75.

On the second abdication of the emperor, and the re-entrance of the allied armies, the funds rose to 61 francs. So that, in point of fact, the price of stocks was lower, by 1.20 after the battle of Austerlitz, than after the re-entrance of the allied armies into Paris.—[*La Presse*.]

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There is every promise that the monetary history of 1849, will prove as fertile in singular events as the two years just passed, and such as will differ from both as widely as those have differed from each other. The commencement of a new era in France, the final development of our free trade in grain, and many other causes, are sufficient to insure this. If, however, a new element, such as could never have entered the mind in its wildest guesses, had been wanted to make us look to the future with lively wonder, nothing could have been presented more calculated to do so, or more curious as a termination of all the broad and heterogeneous occurrences we have recently witnessed, than the discovery of the gold mines of California.—[*The Times*.]

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THE CALIFORNIA GOLD MINES.

From the London Economist, Jan. 6, 1849.

We cannot pass by such an extraordinary circumstance (as the discovery of these mines,) without bestowing a few passing reflections on the probable consequences. It must hasten, to an incalculable degree, the communication with all the distant parts of the globe. A railroad across the Isthmus of Panama is to be commenced, or a road of some kind, under a grant from New Grenada, to certain merchants of New York. The company have arranged with an eminent engineer, who is to make a farther survey at once, and it is thought the road can be in

operation by January, 1851. It must, by the hopes it excites, give for a time new life to trade, and multiply the elements of commerce. It will unite in traffic an increased number of people; and must be so influential as at once to make regulations for trade, which now so much disturb some persons, appear trivial, petty, and worthless. It will drain off some of the population of the United States, and make an opening there, and a demand for the services of Europeans.

But the principal effect will be the operation on prices, raising them first in the United States, inducing an additional influx of goods into that country, and ultimately raising, to some extent, the money price of commodities throughout Europe. What quantities of gold may be found, it is impossible to say: one estimate puts the additional sum poured into circulation at £6,000,000 a year. There was within about two months, on its way, consigned to New York and Philadelphia, from California, gold dust, amounting from 1,500,000 to 2,000,000 dollars, or from £300,000 to £400,000. A great increase of seekers, and more easy methods of cleaning the gold, will probable add to the quantity. We will, however, make no estimate of its probable amount. Mr. Jacob, according to the tables published in his work on the precious metals, estimated the quantity of them in use as coin in Europe and America, in 1829, at £313,388,560, and the average annual supply of the previous twenty years, at only £5,286,300.

Since that period the gold mines in the Ural Mountains have become more productive, without affecting the value of gold; and the stream of the precious metals has stopped flowing into, if it have not turned back from, Asia to the Western world. There is no reason to believe that either of these causes have had any effect in raising prices in Europe. The quantity of gold now brought into the market, in addition to the present supplies—though how far they may be affected by the new discoveries is a part of the problem—must be considerable before any very marked effect will be perceived. The addition for the first year or two of £6,000,000 to the stock of at least £320,000,000, little more than the fiftieth part, would not at first be felt. But as the loss by wear and tear, and for arts, appears not to be quite the eighth part of the supply, the accumulation of such an addition year after year, must in a few years make itself felt seriously in the value of gold. What may be the effect of the discovery, in relation to silver, of which we have no word of any additional supply, we will not attempt to say; but it must be remembered that the finding cannot continue to be extensive without adding much to the commerce of the world, and increasing the effective and necessary demand for the precious metals. We do not, on the whole, anticipate any sudden depreciation of our standard of value from the quantities of gold already obtained, nor any great permanent depreciation from any quantity which seems likely hereafter to be continually obtained.

NOTE.—In order to gratify the wishes and to reply to the numerous queries of several correspondents, a large space of our present No. is occupied with articles upon the Consumption, Supply, &c. of the Precious Metals, and Statistic of Coinage. We do not believe that more appropriate matter than these for the present time could be furnished to our readers.—[Ed. B. M.]

## IMPROVED BANK NOTE PAPER.

Report upon a new process of manufacturing Bank Note Paper and other papers whereby forgery may be prevented.

The manufacture of a safety-paper is of considerable importance in a financial and commercial point of view. A means of protecting commercial and other documents against forgery has long been sought after. Such progress has been made in engraving, lithography, photography, and chemistry, that, supposing forgers to be in possession of all the secrets of science, society would have no protection against their devices; but happily these secrets are in a measure kept sealed against those who would make so dangerous a use of them; and, moreover, the efforts of the initiated are constantly directed to the frustration of the plans of such men. This honorable warfare would now appear to be triumphantly terminated, if we may rely upon a work which has just been submitted to the Academy of Sciences by M. Dumas, in the name of a Commission, of which MM. Thénard, Pelouze, and Regnault, were the members.

We may add that this interesting communication has evidently been brought about through M. Seguiér, who had, at a former sitting, given very favorable information respecting paper money, which, as it is at present, or has been hitherto made, may be easily counterfeited; but by means of the novel processes and safety-paper, which has just been approved of by the Institute, counterfeit would be impossible, so that we may be led to hope that the crime of forgery will one day disappear from the penal code.

M. Dumas' communication regarding safety-paper is as follows: we give it entire on account of its importance.

The undersigned members of the Commission of Safety-Paper and Ink, persuaded from long study that the question proposed to them by the Academy, has at length been solved, conceive it to be their duty to put the Academy in possession of the results obtained, and submit to them the conclusions arrived at.

Having been called upon to form part of the government Commission charged with this subject, they have been enabled to follow, step by step, and day by day, the progress made in the solution of this question by the skilful persons successively employed upon it. To overcome the difficulties by which they were surrounded, they spared no trouble, but kept in view the necessity of maintaining, in all its purity, notwithstanding the practical difficulties attending it, the fundamental principle which had been sanctioned by the Academy upwards of ten years ago.

The Academy will doubtless learn with interest that not only have all the obstacles which stood in the way of the application of the process which appeared to be the best, been overcome, but that experience has also shewn this process to be the only one which offered the desired protection. The work has been long and arduous, for, by a letter, dated 13th February, 1826, the Minister of Justice consulted the Academy on the means which might be employed by government for



the purpose of preventing the serious consequences resulting from the forgery of public or private documents, and of preserving the public treasury from the fraudulent erasure of writings upon stamped papers.

After lengthened researches, the Commission charged with the examination of this important and delicate question, made known in a report, dated June 6th, 1831, two methods of rendering the fraudulent erasure of writing impracticable; one of which, at least, might offer great obstacles to the commission of forgery.

The Academy, adopting the views of the Commission, proposed to the government to prescribe or to advise the employment of an indelible ink, which should resist all attempts at forgery, by erasure or other means. This ink, which may be obtained at a very moderate price, and is made by diluting Indian ink with water, acidulated by means of hydrochloric acid, in such quantity as to give it a density of 1,010, resists, in fact, very well, all chemical agents, and even mechanical erasure, providing the ink has sufficiently penetrated the paper. Seeing, however, the difficulty of making the generality of persons who have occasion to use stamped paper employ a particular kind of ink, the Academy advised a device to be printed with ordinary ink in the middle of each stamped sheet, which would disappear on any attempt being made to efface the writing, in order to use the paper over again.

These propositions became the subject of attentive consideration on the part of government—as to whether they should be carried into effect. A well-executed work, addressed, on the 18th July, 1836, to the Minister of Finances by M. de Colmont, Inspector of Finance, and M. Cordier, Inspector of Domains, shows that the device in delible ink, proposed by the Academy, may be easily applied, either by means of a block engraved in relief, or by the ordinary typographical characters.

At about the same period, the government and the Academy were taken with the idea of using a paper the pulp of which should contain invisible re-agents, but which should be susceptible to the action of the agents affecting the ink, and be thereby changed in color. Another plan was also proposed, which consisted in forming each sheet of paper with two thin sheets, and placing between them a device printed in ordinary ink, which would be effaced by the same agents employed to take out the ink.

Two reports, adopted by the Academy in 1837, made known to government and to the public the results of the further researches of the Commission in these various plans. The paper impregnated with chemical re-agents did not meet with their approbation; most of them, both those at first and recently proposed, contain cyanoferrurets, and acquire therefrom many remarkable qualities with regard to sensitiveness to the re-agents ordinarily employed for effacing and forging writings; but when the cyanoferrurets are insoluble, it would not be impossible to find agents capable of effacing ink without changing the color of the secret test in the paper. When the cyanoferrurets are soluble, the sensitive material may always be removed before effacing the writing, and again introduced into the paper after effacing or altering the writing.

Besides, as it is possible that a re-agent introduced into the paper will, under the influence of the atmosphere more or less damp, cause a slow action, which would, in a few years, affect it considerably, it would be necessary, before advising the adoption of any one of them, to ascertain, by long experience, that it is really free from all injurious properties in this respect. Lastly,—cyanoferrurets, which constitute the most sensitive and consequently the most efficacious re-agents, increase (even when small quantities are used) the combustibility of the paper; sometimes even to such an extent that it will burn like tinder.

For these reasons the Commission rejected the employment of this kind of paper in 1837; since which time, notwithstanding the numerous and most persevering attempts which have been made, none of the persons experimenting on this plan have succeeded in meeting the serious objections just mentioned.

About the same time the double sheets, furnished with a delible internal device, were rejected, as it was found that these sheets might either become detached spontaneously, or might be very easily separated intentionally. It had also been proven that the writing could be effaced without effecting the interior device. These kinds of papers had been counterfeited with ease by means of the ordinary lithographic processes.

Lastly, the Commission did not find, in the mode of manufacturing such papers, the degree of durability requisite for stamped paper. This paper, with interior devices, has, however, been advantageously employed by companies and commercial houses; to whom this latter consideration is of no moment, and to whom it matters but little whether the paper they use was manufactured by hand or by machinery, or prepared with vegetable or animal gelatine,—to what degree it was sized, and whether it was durable or not. When made thin, and but slightly sized, this paper takes up the ink freely, and renders forgery more difficult. It is not, however, applicable to the manufacture of paper to be stamped, as the government very justly prefer using stiff hand-made paper, sized with gelatine, and of a durable nature, so that deeds written thereon may be kept for many years.

The researches of the Commission, nominated by the Academy, have coincided in a transformation which took place in the art of manufacturing paper; and this circumstance gave rise to an apparent contradiction between the conclusions to which they were led in their first report and those which arose from the subsequent reports. This may be easily accounted for:—At the time when the first report of the Commission was adopted by the Academy, the paper used in commerce was principally hand-made, and sized with gelatine;—on this paper acidulated Indian ink will sink very deep, and produce indelible marks; the Academy was therefore justified in recommending its use. But, in a short time, paper made by machinery and sized with *secula* and resin monopolized the market, by reason of its low price; and it is at present almost the only sort in use. Acidulated Indian ink is not very readily absorbed by this kind of paper, and consequently characters written upon it may be easily effaced by washing or by mechanical means, although perfectly unattackable by chemical agents. It was attempted

to substitute alkaline liquor for the acid used for diluting the Indian ink, but with no better success, as, on being tried in one of the government offices, neither of these were found to possess any advantages over ordinary ink. Thus, in consequence of the change in the mode of manufacturing paper, the use of indelible ink was abandoned.

It now remained to discover the means of security required by the public and by government itself, in the use of an exterior delible device, which appears to have been hitherto the only practicable plan. Such was, in fact, the object proposed at a meeting convened by M. Lacave Laplagne, when Minister of Finance, who has invariably made a point of endeavoring, as far as in him lay, to meet the views of the Assembly. On this occasion, the results obtained by MM. Zuber, Knecht, and De Bourges, were very well received; but the Commission decided that the desired end was not fully attained, at least as far as they could judge, by the papers presented at the appointed time of meeting.

During the interval, however, which elapsed between the despatch sent by the Minister of Finance to the Academy, and the work of MM. Colmont and Cordier, a considerable and important modification of one of the propositions of the Academy had been attempted by M. Grimpé, who did not think it necessary to present himself at the above-mentioned meeting. This clever artist, taking up the idea of the Academy, sought to obtain the desired end (viz. the prevention of forgery, either by altering the writing or effacing it altogether,) by means of a delible device, which, extending all over the surface of the paper, and composed of lines too fine to be reproduced by hand, and which being printed with delible ink, should be open to attack by all the agents which affected writing, and when once effaced, could not be restorable by the most skilful hand, or by any printing process.

M. Grimpé's first experiments obtained the entire approbation of the Commission; and this was shown to be founded upon sound judgment by the failure of all subsequent attempts.

We do not mean to say that no improvement has been made upon M. Grimpé's plan, as it was first proposed by him. On the contrary, taking advantage of all the observations and advice offered him, he has successively improved upon, and sometimes even entirely altered, the details or means of execution; but although by these means a product has been obtained more in accordance with the exigencies of the public and the government, together with the conditions of regular and economical manufacture, the principle of the system remains the same.

The principle consists in covering the paper with a microscopic device, printed on both sides with delible ink, by means of a cylinder. The nature of a device, the mode of engraving the cylinder, the nature of the ink and of the paper, have, during the last eleven years, been the object of incessant discussion and study on the part of some of the members of the Commission, the importance of which will be easily understood.

Fine lines, capable of being reprinted upon paper, may be traced upon a plane or cylindrical surface, either by an engine-turning lathe, or other suitable means, such as a steel roller having the device upon it in relief, and which by strong pressure may be reproduced in intaglio

upon a copper cylinder. The latter process is the one adopted by M. Grimpé. From an experience of eleven years your Commission is confirmed in its previous opinion.

After having successively tried various geometric figures as suitable for composing the device, such as concentric circles, hexagons, &c., all opinions were in favor of the microscopic stars, which are upon the papers submitted to the Academy. This device has been found to present insurmountable obstacles to its reproduction by hand. With regard to the absolute identity of these stars to one another, we will merely observe that they are produced by a single steel punch or die, upon which a single star is engraved. This punch, which is very highly tempered, is caused to stamp the stars all over a soft steel cylinder, which is then tempered, and by being made to act with great pressure, upon other untempered cylinders, the device may be produced upon any number of them; these cylinders may then also be tempered, and may be made to reproduce the device upon copper cylinders, from which they may be printed on the paper.

In M. Grimpé's first experiments the cylinders intended for printing from were engraved in intaglio, but they are now engraved in relief. This difference, although slight in appearance, is deserving of special notice, as the results produced thereby are very important.

Your Commission has always endeavored to maintain as a principle, that a device for a safety-paper must be of such a nature as to be incapable of being imitated, and traced by hand with ordinary ink; so that on any attempt being made to alter the writing, the device must also be altered, which would be apparent from the impossibility of restoring that part of the device which had been destroyed. Now the numerous experiments which have been made upon safety-paper, have established as a favorable condition the following principle, which will no doubt be very important in its applications, viz. that a very fine device cannot be printed with aqueous or ordinary ink unless from an engraving in relief. If a very fine device is required to be printed from intaglio engravings, printing or lithographic ink must be used. Judging from the above experiments, however, and some specimens printed by M. Didot, it is evident that ordinary ink may be used for printing from engravings in relief.

As long as M. Grimpé made use of cylinders engraved in intaglio, he found it necessary to employ indelible ink thickened by varnish, and consequently differing, at least in that respect, from common writing ink. Since he has made use of an engraving in relief, he has been able to print with ordinary ink with the greatest facility. The conditions established by the Commission have therefore been complied with.

Some members of your Commission, after mature deliberation, thought proper to advise the stamp department to persevere in the employment of paper made by hand, a sheet at a time, and sized with gelatine, and which is always rather uneven on account of the water-lines and there being no division of the pulp. For a long time M. Grimpé raised such formidable objections to this, that our convictions on the subject might have been shaken if they had rested upon a less solid basis. The point has, however, been satisfactorily settled by ex-

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perience, as M. Grimpé has found that he is able to print upon this paper as well as upon machine-made paper. Its uneven surface is not found to be any disadvantage; and, if placing the paper under the cylinder causes any expense which might be avoided by the use of continuous paper, the advantage of continuing the consumption of paper which has stood the test of four centuries, is worthy of some consideration.

Thus has the plan been carried out which we had unceasingly and perseveringly advocated. To state it simply, it consisted in covering the two surfaces of the paper (without changing its nature) with a device which could not be imitated by hand or transferred on to stone, and which might be printed with ordinary writing ink. It is the plan proposed by M. Grimpé, and improved upon, in some respects, by the suggestion of others, which has been alone found to possess all these advantages.

Lithography had, however, been proposed amongst other improvements, and has contributed very considerably to overcome the difficulties which presented themselves. Three very skilful artists, MM. Knecht, Quinet, and Lemerrier, have successively submitted to the government and the Commission some products both very curious and worthy of encouragement. If lithography be employed in the ordinary manner, lithographic ink must be used; but by printing from stones engraved in relief, ordinary ink may be employed, and by this means proofs of a very fine device may be produced upon any kind of paper. But lithography possesses this disadvantage, viz. that there is no mechanical process known by which a device may be reproduced upon any number of stones. This must be effected by engraving or tracing with a dry point upon the reserve with which the stone is covered; and the difficulty of reproducing identically the same design by this means will be apparent. Lithography may, however, be made available for covering, at a very low price, commercial documents, such as checks, railway scrip, &c. with artistic devices of great beauty, and of so complicated a nature as to render their reproduction by hand extremely difficult. Merchants and companies who are in the habit of employing indelible devices, would find great advantage, both in a pecuniary point of view and as regards security, in the employment of lithographic devices printed in indelible ink.

The Academy will find no difficulty in appreciating the reserve which prevents our laying before them the numerous experiments by means of which our opinion has been formed. It was, no doubt, our duty to try all the known methods of forgery, and to improve upon them, if possible. This we have done, and have by that means obtained undeniable proof that any stamp or device hitherto known may be imitated. But it is also our duty to keep these dangerous experiments as *sécret* as possible from the public, and make them known only to the government.

Such is the motive which prevents us from laying before the Academy the results of our experiments, and which obliges us to confine ourselves to a plain statement of facts, consisting merely of *ex parte* statements and opinions.—*London Repertory of Arts, Sciences and Manufactures*, January, 1849.

## BANK STATISTICS.

## NEW YORK.

*Banks of the State and City of New York, 9 December, 1848.*

RESOURCES.	N. Y. City Banks.	All others.	Total.
Loans and disc't's to directors and brokers, . . . . .	\$37,532,352	\$32,201,539	\$69,733,891
Do. do. directors, . . . . .	2,986,229	2,278,812	5,265,041
Due from brokers, . . . . .	1,474,872	617,364	2,092,236
Real estate, . . . . .	2,056,272	1,418,816	3,475,088
Bonds and mortgages, . . . . .	127,194	2,527,364	2,654,558
Stocks, . . . . .	4,330,797	8,095,961	12,426,758
Promissory notes other than for loans & dis. . . . .	78,072	76,589	154,660
Loss and expense account, . . . . .	305,914	326,199	632,103
Overdrafts, . . . . .	35,474	130,633	166,107
Specie, . . . . .	5,850,424	967,390	6,817,814
Cash items, . . . . .	5,294,395	661,077	5,955,472
Bills of solvent banks on hand, . . . . .	660,824	1,799,440	2,460,264
Bills of suspended banks on hand, . . . . .	.....	46,582	46,582
Due from solvent banks on demand, . . . . .	2,941,324	5,920,934	8,762,258
Do. do. on credit, . . . . .	.....	406,352	406,352
Due from suspended banks on demand, . . . . .	29,595	233,930	313,525
Due from suspended banks on credit, . . . . .	.....	4,418	4,418
Total Resources, . . . . .	\$63,753,738	\$57,663,339	\$121,417,127
LIABILITIES.			
Capital, . . . . .	\$24,149,910	\$20,180,643	\$44,330,553
Profits, . . . . .	3,261,060	3,374,389	6,635,449
Notes in circulation not registered, . . . . .	307,671	377,266	684,937
Do. do. registered, . . . . .	5,475,727	17,045,625	22,521,352
Due Treasurer State of New York, . . . . .	106,675	1,980,630	2,087,305
Due Commissioners of Canal Fund, . . . . .	120,123	885,532	1,005,655
Due depositors on demand, . . . . .	21,442,148	7,763,184	29,205,333
Due indiv's & corp's other than b'ks & dep's, . . . . .	69,124	449,426	519,550
Due banks on demand, . . . . .	8,470,271	4,058,479	12,528,750
Due banks on credit, . . . . .	.....	782,337	782,337
Due to others not included in either of the above heads, . . . . .	352,092	629,637	981,729
Total Liabilities, . . . . .	\$63,754,801	\$57,527,148	\$121,281,950

The above statement includes the returns of all the Banks in the State of New York, excepting the "Champlain Bank" and the "New York State Stock Security Bank." There are now one hundred and seventy-nine Banks and two Branches in operation.

For further information respecting the Banks of N. Y., refer to pp. 185, 383, 481, 526.

*Recapitulation of the New York Banks.**9 December, 1848.*

	Loans.	Specie.	Circulation.	Deposits.
New York City Banks, . . . . .	\$37,532,352	\$5,850,424	\$5,475,727	\$21,442,148
Country Banks, . . . . .	22,703,766	660,372	9,895,663	4,582,422
Banking Associations, . . . . .	7,201,512	224,237	4,007,310	2,402,980
Individual Banks, . . . . .	2,296,261	82,781	3,142,653	777,783
Totals, . . . . .	\$69,733,891	\$6,817,814	\$22,521,353	\$29,205,333

## NEW JERSEY.

*Liabilities and Resources of the Banks of New Jersey, January 1, 1849.*

LIABILITIES.	Capital.	Circulation.	Deposits.	Miscellaneous.
Belvidere Bank, . . . . .	\$100,000	\$154,000	\$28,000	\$43,800
Cumberland Bank, Bridgton, . .	52,050	79,000	31,000	30,350
Mechanics Bank, Burlington, . .	50,000	60,000	40,000	20,700
State Bank, Camden, . . . . .	260,000	147,000	192,000	52,000
Union Bank, Dover, . . . . .	100,000	129,000	40,000	21,800
State Bank, Elizabethtown, . . .	200,000	121,000	69,000	43,800
Burlington County Bank, Medford,	70,000	36,000	36,000	12,700
Farmers Bank, Mt. Holly, . . .	100,000	45,000	48,000	43,000
Farmers and Merchants Bank, . .	35,000	54,000	47,000	5,800
Morris County Bank, Morristown,	50,000	78,000	61,000	29,500
State Bank, " . . . . .	100,000	6,000	1,000	4,300
Mechanics Bank, Newark, . . .	500,000	117,000	175,000	63,100
State Bank, " . . . . .	400,000	81,000	145,000	75,500
Newark Banking and Ins. Co. . .	508,650	146,000	213,000	106,650
State Bank, New Brunswick, . .	140,000	189,000	112,000	36,000
Sussex Bank, Newton, . . . . .	67,500	147,000	38,000	39,100
Orange Bank, Orange, . . . . .	102,500	43,000	10,000	15,700
Commercial Bank, Perth Amboy, .	60,000	109,000	27,000	4,700
People's Bank, Paterson, . . . .	75,000	138,000	16,000	13,200
Princeton Bank, . . . . .	90,000	54,000	57,000	6,300
Farmers and M. Bank, Rahway, . .	130,000	80,000	36,000	22,800
Salem Banking Company, . . . .	75,000	62,000	34,000	9,100
Somerset County Bank, Somerville,	25,000	45,000	15,000	2,000
Trenton Bank, Trenton, . . . .	210,000	189,000	118,000	80,300
Mechanics and Manuf., Trenton, .	100,000	101,000	51,000	37,300
<b>Total Liabilities, . . . . .</b>	<b>\$3,600,700</b>	<b>\$2,410,000</b>	<b>\$1,640,000</b>	<b>\$819,500</b>
RESOURCES.	Loans and Stocks.	Specie.	Bank Balances and Bank Notes.	Miscellaneous.
Belvidere Bank, . . . . .	\$205,000	\$26,000	\$89,900	\$4,900
Cumberland Bank, Bridgton, . .	120,000	29,600	39,300	3,500
Mechanics Bank, Burlington, . .	113,000	21,600	29,000	7,100
State Bank, Camden, . . . . .	510,000	49,500	73,800	17,700
Union Bank, Dover, . . . . .	176,000	30,900	74,600	9,300
State Bank, Elizabethtown, . . .	325,000	25,900	51,100	31,800
Burlington County Bank, Medford,	109,000	15,400	17,400	12,900
Farmers Bank, Mt. Holly, . . .	178,000	22,800	12,200	23,000
Farmers and Merchants Bank, . .	101,000	11,100	23,700	6,000
Morris County Bank, Morristown,	137,000	9,300	60,600	11,600
State Bank, " . . . . .	13,000	500	3,000	94,800
Mechanics Bank, Newark, . . .	665,000	41,300	119,700	29,100
State Bank, " . . . . .	525,000	43,700	118,000	14,800
Newark Banking and Ins. Co. . .	743,000	38,000	166,000	27,300
State Bank, New Brunswick, . .	316,000	40,500	104,400	16,100
Sussex Bank, Newton, . . . . .	156,000	20,000	106,500	9,100
Orange Bank, Orange, . . . . .	103,000	10,300	28,800	29,100
Commercial Bank, Amboy, . . .	134,000	25,300	35,100	6,300
People's Bank, Paterson, . . . .	162,000	13,200	68,000	.....
Princeton Bank, . . . . .	151,000	10,000	23,000	23,300
Farmers and M. Bank, Rahway, . .	205,000	15,600	37,000	11,200
Salem Banking Company, . . . .	121,000	24,700	13,000	20,400
Somerset County Bank, Somerville,	45,000	8,100	32,200	1,700
Trenton Bank, Trenton, . . . .	463,000	51,800	63,200	19,300
Mechanics and Manuf., Trenton, .	181,000	30,500	52,400	25,400
<b>Total Resources, . . . . .</b>	<b>\$5,957,000</b>	<b>\$615,600</b>	<b>\$1,441,900</b>	<b>\$455,700</b>



*Recapitulation of the New Jersey Banks.*

LIABILITIES.		January, 1846.	January, 1848.	January, 1849.
Capital Stock, . . . . .		\$3,672,700	\$3,570,700	\$3,600,700
Current Deposits, . . . . .		1,814,100	1,738,400	1,640,000
Circulation, . . . . .		2,394,100	2,699,500	2,410,000
Miscellaneous, . . . . .		675,100	750,600	819,500
Total, . . . . .		\$8,556,000	\$8,759,200	\$8,470,200
RESOURCES.		January, 1846.	January, 1848.	January, 1849.
Loans, Stocks, &c. . . . .		\$6,630,000	\$6,383,500	\$5,957,000
Bank Balances and Notes, . . . . .		1,012,100	1,334,700	1,441,900
Specie, . . . . .		594,600	636,400	615,600
Miscellaneous, . . . . .		319,300	404,600	455,700
Total, . . . . .		\$8,556,000	\$8,759,200	\$8,470,200
The amount of Bank Capital in January, 1848, was . . . . .				\$3,570,700
To which add, Somerset County Bank, (new) . . . . .				25,000
Farmers and Merchants Bank, Middletown Point, (increase) . . . . .				5,000
Present amount, January, 1849, . . . . .				\$3,600,700

In addition to the specie on hand, the New Jersey Banks have generally large deposits in the Banks of New York City and Philadelphia for the redemption of their circulation.

## BANK ITEMS.

**LOUISIANA STATE BANK.**—The annual election for directors of the Louisiana State Bank, on the 5th February, resulted in the election of Samuel J. Peters, Esq., [President of the City Bank of N. O.,] and the greater portion of his ticket, in opposition to the former incumbents. We understand that a protest against the election was forthwith entered into by the defeated party, on the ground that the funds of the City Bank of N. O. had been used to buy up the stock of the Louisiana State Bank, for the purpose of securing the election of the successful aspirant.

[*New Orleans Bee.*]

**BANK OF THE STATE OF MISSOURI.**—J. M. Hughes, Esq. has been elected, by the legislature, President of the Bank of the State of Missouri, at St. Louis, in place of Robert Campbell, Esq. The annual statement of this bank will be found in our columns, showing it to be in a highly prosperous condition.

**BANK OF CHESTER COUNTY.**—About twenty-one thousand dollars of the circulation of this bank have been recently recovered, out of \$50,000 stolen in December, 1847.

**BANK OF KENTUCKY.**—The case of the Bank of Kentucky against the Schuylkill Bank, was concluded last week.

After the Supreme Court got through with the miscellaneous business before it upon Saturday, and the session had closed—the judges went into private consultation upon several cases recently argued before them—among others, the case of the Kentucky Bank *vs.* the Schuylkill Bank. After the consultation was over, and the judges had separated, they notified the representatives of the bank, and other parties most interested, that they had taken the case of the Schuylkill Bank under consideration and decided it. It could not escape their attention that great speculation had taken place in the stock of the Schuylkill Bank, and that more might occur before the judgment of the Court could be formally pronounced. It is not the practice of the Supreme Court to notify in advance what its decision will be, as the Act of Assembly requires that before pronouncing judgment, a written opinion shall be

delivered and filed. In the present case, it would be some time before the opinion of the Court could be reduced to writing, but the judges thought it their duty, in order to put a stop to speculation and protect the citizens, to announce in advance that the judgment of the Court below (the Common Pleas) would be affirmed.

That decision was in favor of the Kentucky Bank, and this intimation of the Court settles the question definitely. The formal opinion of the Court will be prepared and pronounced, and in conformity with the intimation thus authoritatively given, the decision will be against the Schuylkill Bank. A rumor of this matter got upon 'Change in the afternoon, near three o'clock, and occasioned an intense excitement. In the morning, shares of the Schuylkill Bank sold at \$5.75;—after the rumor got into circulation, one hundred shares are reported to have been sold at \$3.

This decision will sweep away the entire assets of the Schuylkill Bank, now amounting to \$430,000, and which are in the hands of receivers appointed to hold the funds when the Schuylkill Bank appealed from the decree of the Court of Common Pleas. The whole claim of the Kentucky Bank was for \$1,345,500, and it had assumed the spurious stock to that amount. It will, therefore, after obtaining the assets of the Schuylkill Bank, lose over \$900,000. The formal opinion of the Court will be delivered in the course of a week or two, and judgment then be entered in favor of the Kentucky Bank. To Philadelphians, this matter is very important—the stock of the Schuylkill Bank was mostly owned here, and this decision will strike away the last hope of many. The litigation has been so tedious, however, that many have long since ceased to expect anything from it; but hope has been revived in many bosoms by the last argument before the court of highest resort—a hope now extinguished forever.—*Philadelphia Ledger*, 29 January.

**NORTH RIVER BANK.**—Abraham Halsey, Esq. has been elected Cashier of the North River Bank, Greenwich St., New York, in place of Mr. A. B. Hayes.

**BOSTON.**—Money continues to be scarce and high. In the street, the best paper is done at *one per cent.*; while the banks are able to discount but a very small proportion of their applications. The rates of exchange charged by the banks are as high as they have been at any time during the last two years—and money borrowed from the best and most liberal institutions, even now, costs full nine per cent. per annum. With the awakening or foreshadowing of spring business, there is an increased demand for money—deposits have recently been reduced in the banks, from various reasons, and the banks are checked at the very time when the business community is beginning to need an increased supply.—*Post*, 20 February.

**LOUISVILLE.**—The banks continue to check on the East at 1 per cent., though the money market is very tight. The out-door rates range from  $\frac{3}{4}$  to 1 per cent. The banks are taking bills on the South in light sums, as follows: 60 day bills on New Orleans  $\frac{1}{2}$  per cent., adding interest; 60 days to 4 months, 1 per cent. Bills on the East, 3 to 6 months, 1 per cent; over 6 months,  $1\frac{1}{2}$  per cent. Bills having over 90 days to run are extremely difficult to negotiate.

Cincinnati bank-notes are freely taken at par. Ohio State Bank and branches and most of the interior and independent Ohio bank notes are taken at  $\frac{3}{4}$  a 1 per cent. dis., except the banks of Norwalk and Sandusky, which are utterly discredited; and the Bank of Wooster, which is nominally worth 20c on the dollar. Tennessee notes are, Union Bank, 3 a 4 per cent. discount; all others 4 per cent. discount. Indiana,  $\frac{1}{2}$  a  $\frac{1}{2}$  per cent. discount; Louisiana,  $\frac{1}{2}$  per cent. discount; Missouri, par; Virginia,  $\frac{1}{2}$  a 1 per cent. discount; North and South Carolina, 3 per cent. discount; Georgia, 3 a 5 per cent. discount; Alabama, 5 per cent. discount; Mobile, 3 per cent. discount; Louisville city scrip, 5 a 6 per cent. discount.—*Journal*, 17 February.

**NOTICE TO CORRESPONDENTS.**—Our correspondent at Marietta, (Ohio,) will find nearly all the information he seeks, in our present No., upon the subject of gold and silver. "*The population of the civilized world at the period of the development of the mines of America*" will be very difficult to furnish. It is only within a comparatively recent period that close attention has been given to the census by civilized nations—so as to arrive at any general results.

Our next No. will contain the conclusion of Baron Humboldt's essay on the precious metals. This article has not, we believe, appeared before in this country.

**GRACE ON SIGHT BILLS.**—In the case of *Minick v. Martin* and others, pending in the 4th Judicial Court of New Orleans, noticed in the last number of the Code Reporter, another commission has been issued to John Livingston, Esq., No. 54 Wall Street, to take further testimony of notaries, merchants, brokers, and bankers in this city, as to the custom of allowing days of grace on sight bills. By virtue of said commission, Mr. Livingston has taken the testimonies of Charles McKinstrey, Lewis B. Woodruff, Richard Goodman, Daniel Trembly, Albert S. Case, and Samuel A. Willoughby, Esqrs., by which it appears it has been customary in this city to protest sight bills for non-acceptance, and to allow grace upon the same, and that the contrary custom is by no means universal.—*New York Code Reporter*.

**EXCHANGE BANK, HARTFORD.**—Elisha Colt, Esq. recently Cashier. has been elected President of the Exchange Bank, Hartford, (Conn.) in place of Roderick Terry, Esq. deceased.

**PENNSYLVANIA.**—A Bill for a General Banking Law for Pennsylvania is now before the Legislature of that State. If passed at the present session we will publish it in full for the information of our readers.

## Notes on the Money Market.

NEW YORK, 22 FEBRUARY, 1849.

There is at this moment an unusual activity, for this period of the year, in the various channels of trade. There is every indication that upon the opening of the navigation of the Hudson River, the Erie Canal, and of our western lakes, we shall have as much business as our merchants, manufacturers and carriers desire. There are several circumstances to produce a buoyant feeling among all classes, and to induce the hope of a favorable condition of business throughout the year 1849. Among these circumstances we may mention: 1. The demands for the California market. 2. An improved state of the Cotton market in Europe; and 3. Accessions of foreign capital.

The impetus given to manufactures and to the shipping interests by the recent discoveries in California, will necessarily exert a favorable influence upon our country at large. Whatever the results may be as to California itself, and upon the moral and commercial condition of its people, the Atlantic States will, without question, derive a large benefit.

The advices from Europe indicate an improvement in the price of cotton, and an increased demand for this staple for their home consumption. From the 1st September last to the 15th February, the receipts of Cotton at the several U. S. ports have been . . . . . 1,570,000 bales, against, for the same period in 1847-8, . . . . . 1,130,000 bales.

The exports of Cotton to Great Britain have more than doubled, when compared with the previous year, being for the past 6½ months as follows:

To Great Britain, 1848-9,	570,000 bales.	To all foreign ports,	829,000 bales.
To " " 1847-8,	275,000 "	To " " "	572,000 "

Estimating its value, at this period, at \$35 per bale, the aggregate export for the past 6½ months is at least twenty-eight millions of dollars in value, and the export for the entire year will probably reach thirty millions more.

The accessions of capital from abroad are derived, in the first place, directly from the emigrants from Great Britain and the Continent. These sources generally contribute more largely than are supposed, and at this time, particularly, when the commotions on the Continent are such as to lessen materially existing confidence in their present investments. The rapid advance in the prices of American securities

in London indicates a large influx of capital to this country from Europe. The best price for U. S. six per cents. in London, on the 20 November last was 98, dividend on. A gradual improvement has since taken place, showing increased confidence in such securities among foreign capitalists. On the 20 January the same stock had reached 104, and on the 9 February, sales were effected at 106-7. These important indications in the condition of money affairs at home and abroad will be further improved by the

*Financial Views of the New Administration.*

We consider the days of the Sub-Treasury as numbered. It cannot be much longer permitted that the government at Washington shall absorb, lock up, and render inoperative, such a large fund as is now held in the vaults of the Sub-Treasury. It certainly cannot be, that the wisdom and experience of the last fifty years; or that the counsels of the ablest men of our own country and of Europe, shall be lost sight of, and the treasures of the people hidden from them, to gratify a mere theory and to provide offices for a few partizans.

The mercantile interests demand that the receipts and disbursements of the Treasury shall be made in a form to facilitate the transactions between the government and its debtors and creditors. The British government, with a revenue and expenditure equivalent to five hundred millions of dollars per annum, do not require the medium of coin in its exchanges and commercial operations; nor does this government, with an ordinary revenue of forty millions, require such a medium in its business transactions. We think the following positions have been long since established and may be maintained from this time forward.

1. That paper money is a more convenient medium of exchange than coin.
2. That the banks of our large cities can furnish such collateral security as will render the government deposits more secure in their vaults than in the hands of any individual Sub-Treasurer, or combined body of Sub-Treasurers, in the Union.
3. That the financial transactions of the general and state governments (or of individuals) cannot be carried on with coin.
4. That, besides the risk of the government deposits in the hands of Sub-Treasurers, the Sub-Treasury is an unnecessary burden upon, and expense to, the country.
5. That the convenience and wishes of the merchants, who, as a body, make four-fifths of the payments into the National Treasury, should be consulted in any system proposed for payments to, and expenditures by, the government.
6. That the business of the nation was transacted for more than fifty years, to the satisfaction of all concerned, without the aid of the Sub-Treasury, and that now the country can do without it.

*Finally*, that the funds of the government *are the funds of the people*, and that such funds should be kept where they will accomplish "the greatest good for the greatest number."

At this moment there are millions locked up in the Sub-Treasuries at Boston, New York, Philadelphia and Baltimore, which can do no good whatever. It is buried treasure: we hope it will soon be *treasure trove*.

What the merchants require is, that there shall be no obstacles thrown in the way of their business intercourse with the government—on the other hand, that the greatest facilities, consistent with its safety, shall be furnished in such intercourse with all parties.

The government funds are at times large, and at times are much reduced: but whatever they may be, large or small, they should not be drawn from their legitimate sphere, to the detriment of the community, thereby keeping up a fictitious excitement or stricture in the money market.

Money is in active demand in Wall Street. The banks are afraid to do all the paper which their present means would permit. Their coin is wanted by their own customers to pay into the Custom-House. There is a full supply of good paper and the rates are 9 a 10 per cent.

Bills on London 107 a 108.

THE  
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APRIL, 1849.

No. X.

ON THE PRODUCTION OF GOLD AND SILVER AND  
ITS FLUCTUATIONS.

BY BARON ALEXANDER VON HUMBOLDT.

Translated for the Bankers' Magazine, from the *Journal des Economistes*, March,  
April, May, 1848.

[Continued from p. 545, March No.]

It is rather the discovery of new and abundant sources than the disappearance of the old, which has modified the relative value of gold and silver at a given epoch. It is to this cause, subsequently to the discovery of the greater Antilles, that we must attribute the new rise in the price of gold about the middle of the 16th century; when the rich silver mines of Potosi and Zacatecas had been opened in Peru and in the north of Mexico. From researches which I have carefully made, it results that the importation of American gold was by weight to that of silver, in the ratio of 1 : 65; down to the first year of the 18th century, when they commenced the gold workings in Brazil. At this moment, taking in at one view the aggregate of the metallic commerce of Europe, the ratio is not higher than as 1 : 47; which is, at least, the result given by comparison\* of the quantities of the two metals simultaneously existing in Europe in the state of coin. The data in the work, in other points so excellent, of Adam Smith, are very inexact; in respect to this ratio, they are in error by more than one-half. In commerce, the relative value of gold and silver among the civilized nations of Europe

\* See my *Essai Politique* t. iii. pp. 400, 436, 448, 463. Jacob, *Precious Metals*, t. ii. p. 187. The result which I have found, has been illustrated with profound penetration by Say, [*Political Econ.*] t. ii. ch. 10, by analogies drawn from general commerce.

in immediate intercourse with each other, oscillated during the first hundred years subsequent to the discovery of the new continent, between 1 : 10,7 and 1 : 12; and in the two last, continues between 1 : 14 and 1 : 16. This fluctuation is very far from depending solely upon the relative quantities of the two metals annually obtained from the bosom of the earth. The ratio of their values is very soon modified by the cost of mining, by the demand or necessities of consumers, by the greater or less expense of transport, by the application of metals in the manufacture of plate and other metallic articles. The simultaneous action of so many elements, joined to the facility of transmission amid the so general and so rapid commerce of the world, and to the immense quantity of metals accumulated in Europe, prevents now any partial oscillation in the relative value of gold and silver, from being very considerable or long continued. Of this, we may be convinced at any sudden interruption in production, as for instance, after the revolution in Spanish America; or even by instances of extraordinary employment of one only of the precious metals in the operations of an active mint. Thus, during the ten years from 1817 to 1827, there has been coined in England more than 1,294,000 marcs [650,000 lbs. avoirdupois nearly] of gold; and yet this consumption of gold raised the rate of gold and silver in London\* only from 1 : 14,97 to 1 : 15,60. And still, at the close of 1837, one buys in London a pound of gold for 16,65 pounds of silver. We shall offer presently the numerical elements for the solution of a problem, in which it is proposed to determine what modifications are to be expected from the gradual and simultaneous action of the recent mines in the Ural and those of North America.

The mass of precious metal reaching Europe since the discovery of America up to the Mexican revolution, amounts for gold, to 10,400,000 marcs of Castile, [5,284,686 lbs. avoirdupois] and for silver, to 533,700,000 marcs [271,195,843 lbs. avoirdupois;] and in value together to 5940 millions piastres [say 6000 millions of American dollars.] The silver taken in this interval from the American soil is here calculated upon the intrinsic value of the piastre, that is to say, 0,903 fine; so these 533,700,000 marcs of standard silver make only 481,931,100 marcs [i. e. 244,889,846 lbs. avdp.] of pure silver. This would be equivalent to a sphere of pure silver having a diameter of [90,15 English feet.†] Such a reduction to form and size is as admissible as other analogous figurative valuations. If, for instance, the product of silver from Spanish America for the whole period of 318 years, be compared with the product of *iron* from some European States for only a single year, [while we have for the former as before, a sphere of 90 English

\* See the recent excellent work of J. G. Hoffman, entitled *Lehre vom Gelde*, [Science of the Mint] 1838, p. 7.

† Such a sphere represents the mass of pure silver which has come from America to Europe in the space of 318 years, from 1492 to 1809. The marc of Castile is 0,229 killogramme. [Taking its better attested weight of 3557 grains English, it corresponds more nearly to 0,2305 kilogr. or 0,5081 lb. avdp. which is the factor actually used in the reduction for the text; which has retained] the specific gravity of silver at 10,474. Of the two analogous valuations in spheres given in the second edition of my *Essai Politique*, &c. (t. iii. p. 418, 459,) and expressing the mass of silver from 1492 to 1830, both in silver of the piastre-standard and of fine, the first is exact; in the second must be read 26,37 instead of 20,47 metres in diameter.

feet in diameter] we find according to the estimate of M. de Dechen, a distinguished geologist, spheres of pure [malleable] iron for Great Britain of 148 Paris feet, [157,7 English feet] for France 111 feet, [118,3 English] and for the Prussian monarchy 76 feet [81 feet English;] so great is the difference of quantity in these two metals, silver and iron, found in that portion of the earth's crust which man has been able to penetrate.\*

While the current of gold and silver was thus directed from West to East, it only passed through Spain. Very little of it remained with the nation; still less was deposited in the royal treasury. Ferdinand the Catholic (as the admirer and friend of the great monarch, writes a few days after his death) died so poor that they did not know how to procure the money necessary for the suitable habiliments of the attendants who were to wait upon the funeral procession. I give this remarkable passage of his letter to the Bishop of Tuy:† *Madrigalegium villulam Regis tibi alias descripsi. Tot regnorum dominus totq. palmarum cumulis ornatus, Christianæ religionis amplificator et prostrator hostium, Rex in rusticana obiit casâ; et pauper contra opinionem hominum obiit. Vix ad funeris pompam et paucis familiaribus præbendas vestes pullatas pecuniæ apud eum neque alibi congestæ, repertæ sunt; quod nemo unquam de vivente judicavit.* [Madrigalejos, the country-seat of the King, I have elsewhere described for you. Lord of so many realms, wearer of so many laurels, diffuser of the Christian religion, and vanquisher of its enemies, the King died in a rustic cabin; and, contrary to all opinion, died poor. Hardly money enough for the ceremony of the funeral and furnishing the few domestics with mourning suits, was found either upon him or elsewhere; what no one, while he lived, ever would have thought.] Ranke,‡ in his dissertation on Spanish finances, has treated of the pecuniary embarrassments of Charles V. The ingenious historian has completed and confirmed by new documents the official vouchers|| which I have given [elsewhere] of the small quantity

\* The estimate for Great Britain is upon the mean product of crude iron during 1828 — 30. (McCulloh, Dict. of Commerce, 1834, p. 736.) This mean is 617.352 tons or 12,149,487 Prussian quintals. The diameter of a sphere of *crude* iron, the product of one year, will be consequently 175 Prussian feet, or 169 Paris feet, [180 English feet.] Crude iron yields, when converted into bars, 5-7 of its weight. For the production of France has been taken that of the year 1835, (Resumé der Travaux Statistique, p. 61) 2,690,636 metrical quintals [of 100 kilog.] equal to 5,227,905 Prussian quintals or 1,345,000 tons English very nearly. In the States of Prussia, the production of crude iron was for the year 1836, 1,651,598 quintals [or 83,932 tons English.]

† Petri Mart. Epist. lib. xxix. No. 556 (xxiii. Jan. 1516.) Nine years later, the gold-washings of Hispaniola were already exhausted. Sugar and hides are alone mentioned as articles of export. *Tres habemus ab Hispaniolâ naves* (writes again Anghiera) *saccareis panibus et coriis boûm onustas.* (Ep. No. 806, Kal. Mart. 1525.) This passage is important in the history of commerce; since the first sugarcane was planted in S. Domingo only in 1520 by *Pedro Atienza*.

‡ Ranke; Fürsten u. Völker, &c. [Princes and People of the South of Europe] t. i. p. 347 — 355.

|| Essai Politique, &c. t. iii. pp. 361 — 482, 421 — 428. The working of the mines did not yield 3 million of piastres [dollars] a year, until 1545. The ransom of Atahualpa amounted, according to Gomara, to 52000 marcs of silver [about 425,000 dollars of our standard] and the booty (the pillage of the temples at Cuzco) according to Herrera, to the value of 25700 marcs, only.



of precious metals which the mines of America and the pretended treasures of the Incas yielded.

A more exact knowledge of the history of the metallurgic production or of the gradual developement of the great metalliferous beds in the New World, shews us why the lowering of the value of the precious metals, or (what is the same) the rise in price of wheat and other indispensable products of the soil and of human industry, was felt most sensibly only about the middle of the 16th century, and especially from 1570 to 1595. It was then only that the masses of silver from the mines of Tasco, of Zacatecas and of Pachuca in New Spain, of Potosi, of Porco and of Oruro, in the chain of the Peruvian Andes, begun to be distributed more uniformly over Europe and to affect the price of grain, of wool and of manufactured goods. The true opening and working of the mines of Potosi by the Spanish *conquistadores*, dates from the year 1545; and the celebrated sermon of Bishop Latimer before Edward VI.,\* in which he expresses his indignation at the rise in price of all the most necessary articles, dates on 17 January, 1548. The laws relating to cereal grains, promulgated in England from 1554 to 1688, evince still better, if possible, than the prices of grain which have been collected by Fleetwood, Dupré des Saint Maur, Garnier and Lloyd, the accumulation of specie. The exportation of coin is, as we know, only allowed there when the price of a certain measure reaches a scale determined by law. This limit was under Queen Mary, in 1554, 6 shillings a quarter; under Elizabeth, in 1593, about 20 shillings; and in 1604, under James I. more than 26 shillings. These figures are without doubt of great importance; but their explanation requires special circumspection, inasmuch as the problem of the price of grain, and indeed of prices generally, is highly complicated, and as the legislation of each epoch was under the domain of theoretical opinions very variable, was influenced by the aristocracy, the proprietors of the soil, and was controlled even by the unequal accumulation of money and merchandise at different points. Besides the changes of temperature, (the mean of the Spring and Summer months) which favour the culture of cereal grains, do not extend at the same time over the whole of agricultural Europe. Even the improvement in culture, the better employment of the productive forces of the Earth, modifies prices. Material increase of population and the developement of commerce which results from this increase, augment the demand for specie. Thus, along with the standard which we look for and think to find among the variable prices of grain, we have yet to keep count of two magnitudes which may be simultaneously modifying themselves. The rise in the prices of cereals does not express, even for any country taken by itself, the proportionate increase in the quantity of gold and silver, any more than it informs us of the general mean temperature, and (according to the theory of a great Astronomer) the number of spots on the Sun. We are absolutely without synchronizing data to embrace a large part of Europe; and exact researches have shewn that in Upper Italy, for instance, the rise in price of wheat, wine and oil

\* Jacob: On Precious Metals: t. ii. p. 77, 132 and 188.

was much less\* between the 15th and 16th centuries, than might have been reasonably expected from what was known in England, France and Spain,† where the prices of cereals rose quadruple and even sextuple. It is worth while to mention here a numerical result established upon the average prices for a period of fourteen years in the whole Prussian monarchy. This has been calculated with the greatest care, at my request, by the Director of our Statistical Bureau, Mr. Privy-Councillor Hofmann. In the year 1838, while we can buy at Berlin, for 1 pound of gold,  $15\frac{3}{8}$  pounds of fine silver, 1611 pounds of copper, and nearly 9700 pounds of iron; the pound of gold is worth, upon the means of the periods 1816–29, and 1824–37, likewise 20794 lb. of wheat, 27655 lb. of rye, 31717 lb. of barley, and 32626 lb. of oats.‡

[For greater illustration, the following Table is constructed to shew at the given epochs the relative value of EQUAL WEIGHTS of the several substances: Gold being unity; as follows:

METALS.		CEREALS.	
Gold: 1.	Copper: 0,000621	Wheat: 0,000048	Barley: 0,000032
Silver: 0,064103	Iron: . 0,000103	Rye: . 0,000036	Oats: . 0,000023]

The fears which, on the appearance of the work of Jacob (on Precious Metals,) a book of great merit, and which has not received in

\* Gianrinaldo Carli; *Opp.* t. vii. p. 190. Savigny: *Geschichte der Rechts* [History of Jurisprudence] t. iii. p. 567. Information upon prices in Southern Europe, goes certainly as far back as the 14th century; for, in 1321, Marino Sanuto presented to Pope John XXII. an estimate of the expenses of a crusade which was to divert all the commerce of the East. From this estimate, as well as from the prices given by Balducci Pegoletti, the standard of coins is susceptible of being determined much more carefully than it has been yet by those who have occupied themselves with the doctrine of trade and the history of commerce.

† Elemencin, in the *Mem. of the Roy. Acad. of History*; t. vi. p. 553. Wheat (*trigo*) per fanega [1,6-10 U. S. bushel very nearly] was worth in Spain, from 1406 to 1502, at a mean, 10 reals; from 1793 to 1808, 62 reals, the coin being reduced to the same standard. This result accords with the researches of Say into the prices of cereals in France (*Traité d'Econ. Polit.* t. i. p. 352.) In the days of the Maid of Orleans, under Charles VII. the hectolitre of wheat, (weighing 75 kilog.) [165½ lb. avdp. nearly = 2½ bushels by Maryland standard] had fallen as low as 219 grains of silver [267,45 English grains = 72 cents in money of American silver standard.] The average price a little before the discovery of America was 268 grains [88 cents;] it had risen to 333 grains [\$1 10, nearly] in 1514; under Francis I., to 731 grains [\$2 40;] under Henry IV., to 1130 grains [\$3 72.] Lavoisier found that from 1610 to 1789, there had been an appreciation in the ratio of 1130 to 1342 grains. In 1820, a hectolitre cost in France 1610 grains [\$5 30;] counting 9216 of these grains in a pound, or 0,489 kil. (See also Letronne: *Considerations gener. sur les Monn. Grecques*: p. 118, 123.) Ascending from the middle ages, we find a rise in the price of cereals. Under Valentinian III., in 446, the hectolitre was worth 344 grains of silver; and in the decline of the Republic, at the time of Cicero, as much as 528 grains. The results of Dureau de la Malle give prices still higher. (*Comptes Rendus*, July, 1838, p. 84.)

‡ The basis of this important statement are as follows: In the Statistical Bureau at Berlin, is registered, monthly, the market-price of the four principal kinds of grain in every port of Prussia; and the average is then taken for each separate province. From these averages, is then deduced at the end of the year, the mean prices for the whole year; and from a series of these means has been made up the averages for fourteen years in this manner: from among the prices of the following fourteen years is taken out, every time, the two highest and the two lowest, and the ten terms left are then added; the tenth of this aggregate is considered as the mean price of the fourteen years in question. In this operation, which embraces the time

Germany the attention it deserves, were spreading on account of the diminished import of precious metals from the New Continent, have not been realized. The metallic production, fallen so low from 1809 to 1826, has nevertheless, in spite of the troubled state of Spanish America, risen afresh to three-fourths of what it was when I left those countries. In Mexico, according to the most recent intelligence, which I owe to the attention of the Prussian Chargé d'Affaires, Mr. de Gerolt, the working has amounted to 20 and even 22 millions of piastres; a result for which, the chief contributions (besides that of Zacatecas) have come from the recently worked mines of Tresnilla, of Chihuahua, and of Sonora.

During the last peaceful epoch of the Spanish domination, I could not estimate the mean yield of the mines of Mexico at more than 23 millions piastres (about 53.700 kil. [1.184.000 lb. avdp. nearly] of silver, and 1600 kil. [3500 lb. avdp.] of gold. The account was then more easily ascertained; for there was but one central mint, and the laws restricted the commerce to a few ports. In no other place in the world was the activity greater than in this central mint, which coined in domestic gold and silver, from 1690 to 1803, 1353 million piastres; and from the discovery of New Spain until its Independence,\* about 2028 million piastres, i. e. two-fifths of all the precious metals which

from 1816 to 1837, there results for the Prussian bushel [scheffel = 1,56 U. S. bushel, very nearly] the following prices: viz.

	<i>Thaler.</i>	<i>Silbergroschen.</i>	<i>Pfenias.</i>
<b>Wheat, . . . . 1.</b>		<b>23.</b>	<b>10,5-9</b>
<b>Rye, . . . . 1.</b>		<b>8.</b>	<b>1,5-9</b>
<b>Barley, . . . . 1.</b>		<b>28.</b>	<b>8,1-9</b>
<b>Oats, . . . . 1.</b>		<b>21.</b>	<b>8,1-3</b>

[This table is given here just as it is printed; but there is manifestly an error. The two last cyphers in the column of thalers should be zeros.] The corresponding points for the four cereals are per bushel in Prussian lbs. (of two marcs of Cologne) 85, 80, 69, and 52. The pound of gold is estimated in the silver coin of Prussia at 489 th. 11 sgr. 6,6-13 pf. The comparison of the two periods, 1816—29, and 1824—37, shews a fall in prices in the Prussian States of 14,2-7 per cent. for wheat; 11½ per cent. for rye; 12 per cent. for barley; and 11,13-17 for oats;—a diminution which is attributable in great degree to enhanced production and better use of the soil. (Dieterich; Uebersicht des Verkaufs [View of Commerce] 1838, p. 174.) I consider this diminution here as entirely independent of the influence or supply of precious metals.

\* It is only this year [1837] that Mr. Ternaux Campans, in his extremely interesting collection of *Original Memoirs of the Discovery of America* (Conquest of Mexico, p. 451,) has published an official list of the sums sent between 1522 and 1587 by the Viceroy of New Spain to the mother country. I did not find this list in the Mexican archives. It is very remarkable, and shews that my former estimates of the metallic yield of Mexico, (*Essai Polit. t. iii. p. 414*) were yet a little too high. A contrary opinion has been of late frequently expressed. From the administration of Fernando Cortez up to the year 1552, when the mines of Zacatecas were just opened, the export rarely amounted in a year to 100000 peros [or piastres, dollars very nearly.] From this epoch, it took a rapid rise. In the years 1569, 1579, and 1587, it was already respectively 931.564, 1.111.202, and 1.812.051 *peros of gold*. These sums are calculated, not upon the piastres, but upon these *peros of gold*, [they must be multiplied at a mean by 11½ in order to represent the value in dollars.] See the instructive work of Mr. Joseph Burkhardt: *Aufenthalt u. Reisen in Mexico, &c.* [Residence and Travel in Mexico from 1824 to 1834] 1st Part: p. 360, 385. Second Pt.: p. 74, 152.

the whole of the New Continent has furnished during the same period to the Old.

The allegations, then, growing out of the disappointments in fruitless undertakings, as to the exhaustion of the mineral wealth of Mexico, is in contradiction with the geognostic facts of the country, and even with the most recent experience. The Zacatecas mint alone, during the troubled period from 1811 to 1838, has struck more than 66.332.000 piastres from 7.758.000 marcs of silver; and in eleven latter years (from 1822 to 1833) has yielded uninterruptedly from 4 to 5 million piastres; viz:

1829:	. . . . .	4.505.108 piastres.
1830:	. . . . .	5.139.902 "
1831:	. . . . .	4.469.450 "
1832:	. . . . .	5.012.000 "
1833:	. . . . .	5.720.000 piastres.

## LEGAL MISCELLANY.—BANK BONDS.

From Hunt's Merchants' Magazine.

*Liabilities of sureties on the bonds of officers in Banking and other public institutions.*

In the Supreme Court of Louisiana, on appeal from the Fifth District Court of New Orleans.

*Louisiana State Bank vs. James Duplessis, et al.—Appeal from the Fifth District Court of New Orleans.*

The following case was tried before a jury, and a verdict rendered in favor of the defendants. The decision of the Supreme Court, on appeal, is a most able and highly important one, involving the liabilities of sureties on the bonds of *employees*, in banking and other public institutions. We give the opinion of the Court on the points involved, condensing the report of the case, which, with testimony, occupies nearly fifty pages.—*N. O. Commercial Times*.

**SLIDELL, Justice.**—The defendant, Ledoux, became the surety of James Duplessis, who was appointed note clerk of the bank on the 26th of February, 1840. The bond by which Duplessis and his two sureties, Ledoux and Durive, bound themselves jointly and severally, bears date 29th February, 1840, and is for the sum of \$12,000. It declares that, "whereas James Duplessis had been appointed note clerk, to continue in office during the will of the present or any future board of directors of said bank. Now, the condition of the above obligation is such, that if the said James Duplessis shall well and truly, and faithfully do and perform all and singular the duties of said office of note clerk; shall render a faithful account of all monies and effects committed to his charge, or under his control; and generally, shall save the said Louisiana State Bank harmless from, or on account of any negligence or misconduct of him, the said James Duplessis; then this obligation to be void, or else to remain in full force and virtue."

Duplessis embezzled from the bank at different times in the years 1841, 1842, and 1843, an amount exceeding \$12,000, and the present action is brought to recover from Ledoux the amount of the bond, with interest from judicial demand. There are three grounds of defence presented by counsel:—

1st. The petition admits that the first amount embezzled by Duplessis was taken on the 30th day of March, 1841; and consequently, that he discharged his duty faithfully until that time. It is contended, therefore, that under the bond the defendant is not liable, because, at the date of the first defalcation, his appointment had expired; that his office was an annual office, that his sureties were bound for one year only. Confining our inquiry to the words of the contract, in ascertaining its intention, it would be impossible to recognize the limitation claimed. But it is said that though the words of the bond may cover an indefinite period, yet if by an act of the legislature, or the records of a corporation, it appears that the office was annual, the obligation must be understood as referring to an office so limited.

The argument presented is mainly deduced from the provisions of the charter, with regard to the election of directors. It provides that the directors of the bank shall be annually elected, and forbids the re-election of more than two-thirds of the directors in office at the time of each annual election; permitting no director to hold his office more than three years out of four in succession. But it does not follow from this legislation with regard to the board of directors, that the mere clerks and servants of the corporation should hold their appointments by the same tenure. If these clerks and servants were to be considered the mere clerks and servants of those who appoint them, the conclusion might be a reasonable one. But we do not so regard them. They are the clerks and servants of the corporation, and the limited term of service of the directors does not control the duration of such appointments. There is nothing in the by-laws of the bank limiting the duration of the place of the note clerk, and his appointment itself was general. These views rest upon high judicial authority. The subject was considered in the case of *Anderson vs. Langden*, (1 Wheaton, 91,) in which one McLeod was appointed agent of a company for the purpose of encouraging the manufacture and use of domestic merchandise. That case is almost analogous to the present one. In the argument of it, the case of the *Commonwealth vs. Fairfax* is cited, where the words "so long as he shall continue in office," in the condition of a sheriff's bond, were not construed to extend to a second and new appointment. Chief Justice Marshall, in delivering the unanimous opinion of the court, said "the case of the sheriff's bond is very different. The commission of sheriffs, in Virginia, is annual; of course his sureties are bound for one year only. It is true the directors of a company are elected annually, but the company has not said that the agent shall be for one year only; his appointment is during pleasure. The sureties do not become sureties in consequence of their confidence in the directors, but of their confidence in the agent, whose sureties they are."

In the case of the *Union Bank vs. Ridgely*, the suit was upon a cashier's bond, who had been appointed without any specific duration of his office having been fixed. The propositions in that case had been urged

ineffectually, and negated by the court. See 1 Harris & Gill, Maryland reports, p. 432, wherein it is held that the cashier's office is limited only by the duration of the charter, subject to the removal of the incumbent by the directors, and that he was not necessarily an annual officer. The same doctrine is mentioned in the case of the Dedham Bank *vs.* Chickering, 3d Pickering, 340.

The counsel in the present case had laid much stress upon the 5th section of the charter of the bank, providing for the appointment by ballot of the president and directors, and other officers, agents, and servants. If the legislature had intended that the clerks and servants of the bank should be appointed annually, that the duration of their offices should be for one year only, it is surprising that this should have been left to mere implication. The lawgiver seems to us to have considered the subject of legislation mutual only, with regard to those who were to govern and control the institution, leaving the matter as to the agents and servants of the corporation to the discretion of the governing power. We find provision is made in the charter with regard to the amount of the cashier's bond, but nothing is said as to the duration of his office; yet the same clause which grants the power to appoint the cashier, provides for the appointment of clerks.

It is said, however, that in this case there was a re-appointment of Duplessis, and the counsel reply to show the fact, and as indicative of the construction put by the directors upon the charter, an entry from the minutes of the board, dated 3d March, 1841, being a resolution confirming the clerks in their respective situations. This is but an approval of past appointments, and cannot be construed into a new appointment.

We find nothing in the authorities cited at the bar which conflicts with the view we have taken as to this point of the defence, to wit: The Liverpool Water Company *vs.* Atkinson, 6 East, 507; Lord Arlington *vs.* Mericke, 2 Saunders, 411; the Wardens of St. Savionnes *vs.* Bosstock, 5 Bos. and Puller, 177; the United States *vs.* Kirkpatrick; the case of the collector of the poor and church rates in 2 Bingham (Dudley *vs.* Evans) 32, and in Bigelow *vs.* Bridge, 8 Mass., 267; in all of which the period of appointment, or duration of term of office, is expressly stipulated and averred. The defendant could not have misunderstood the terms of the bond, and must have considered himself responsible for Duplessis' honesty as long as the bank should think proper to employ him in the capacity designated in the instrument.

2d. The next ground of defence taken by Ledoux is, that he is discharged from all liability to the plaintiffs, because the bank, although called on by the defendant to take legal steps against Duplessis, refused to do so, and allowed him to abscond. Defendant relies on the article 3030 of the Civil code, which is the same as the article of the Napoleon code, and upon the opinions of certain French commentators and tribunals as to its just intendment. Under the Roman law, it seems that the refusal of the creditor to sue upon the request of the surety, would not operate the surety's discharge, l 62 ff de fide ju ss, and Domet, Book III. tit. 4; sec. 2, art. 5.

If we look to the literal language of the article 2037, code Napoleon, and the corresponding article of our code, it would require an *act* of the creditor to discharge the surety. "The surety is discharged when by

the act of the creditor, the subrogation to his rights, mortgages and privileges, can no longer be operated in favor of the surety." We are of opinion, that under the circumstances of the present case, there has not been such an omission as would authorize us to consider the surety discharged. The surety was promptly notified of the defalcation. If he desired to have Duplessis arrested under the act of 1840, it was fully in his power to have obtained an order of arrest by paying the bank. The point in question was considered in the case of *Borette vs. Martin*, 16 Louisiana 36, by Judge Martin, which fully sustains the opinion of the present court; see also case of *Cougot vs. Fournier*, 4 Rob. 423, and Civil code, art. 3026.

3d. The next ground of defence, that Ledoux has been discharged from all liability on the bond in consequence of the gross neglect of the plaintiffs to perform the conditions, expressed or implied, which were incumbent upon them, and which formed the consideration of his contract as surety. In support of this point, the defendant relies upon the by-laws of the bank, and the testimony of the cashier. The by-laws point out the duties of the cashier in taking charge of the cash, and examining the accounts of the bank, and also require the directors shall visit monthly the vaults, and cause an inventory to be made, to be compared with the books, in order to ascertain that they agree therewith, &c. The inquiry into the effect of the facts above stated (the testimony of the cashier) upon the legal right of the parties, resolves itself into two branches, of which the first is, whether these by-laws of the bank are to be considered as entering into the contract of the surety.

They certainly are not referred to expressly in the bond. It was conditioned for the faithful performance of Duplessis' duties; there was no useless qualification that the surety would be bound only in case the directors should vigilantly discharge their duty according to the by-laws of the bank. As between these parties, we feel bound to say, that the by-laws are directory to the managers of the institution, and do not form a part of the contract with Ledoux. See *Angel and Ames on Corporations*, and the authorities cited. The question then remains, whether, under the terms of the bond itself, and the general principles of law affecting the contract, the absence of minute vigilance on the part of the directors, unaccompanied by fraud, discharges the surety?

Ledoux bound himself for the honesty of Duplessis, and he has been unfaithful—not a guaranty that he should be honest if closely watched. A bond with such a clause would not be accepted. The language of Chief Justice Marshall, in the case already cited on another point, is very pertinent here. See also *Trent Navigation Company vs. Harlev*, 10th East. 40; *Angel and Ames on Corporations*, 317; 2d *Medcalfe*, 241; *United States vs. Kilpatrick*, 9 Wheaton, 737. We must attribute the verdict of the jury to an erroneous conception of the legal effects of a want of exact and searching vigilance on the part of the cashier, and perhaps of the directors; and probably the refusal to have Duplessis arrested, contributed to turn their minds in favor of the surety, whose case is unfortunate.

It is therefore decreed that the judgment of the court below in favor of Ledoux, be reversed, and that plaintiff recover of said Ledoux the sum of \$12,000, with interest and costs.



THE SOUTHERN BANK OF KENTUCKY.

*In the Senate of Kentucky, 17 January, 1849.*

Mr. Grey, from the committee on banks, made the following report. viz:

The committee on Banks, to whom was referred a bill which had been reported to the Senate from a select committee, entitled, "an act to amend an act to establish the Southern Bank of Kentucky," respectfully ask leave to submit to your honorable body a report in writing.

By reference to the report of the second auditor of Kentucky, it will be perceived, that the Southern portion of this State, usually called the "Green River Country," and including those counties West and South from Salt River and "Muldraw's Hill," (it being that region of the State in which the "Southern Bank" is intended to operate,) contains taxable property to the valuation of about eighty millions of dollars; whilst the valuation for the whole Commonwealth is only about two hundred and seventy-two millions. Those same counties have also more than 60,000 of the 140,000 qualified voters of the State.

This vast region of country, equal in wealth to nearly one-third of the whole State—paying annually into her treasury almost one-third of the State's revenue—having also, about one-half of the qualified voters, and constituting quite half of the territory of this Commonwealth, has set apart for its portion only about one-eighteenth part of the banking facilities of Kentucky.

At present there is employed—

At the Branch Bank at Hopkinsville, . . . . .	\$250,000
At the Branch Bank at Bowling Green, . . . . .	175,000
At the Branch Bank at Greensburg, . . . . .	125,000
At the Branch Bank at Paducah, . . . . .	100,000—\$650,000

The aggregate capital of the three principal banks located at Louisville and Lexington, will, by reference to their charters, be found to be as follows:

The capital stock for the Bank of Kentucky, . . . . .	\$5,000,000
The capital stock for the Northern Bank, . . . . .	3,000,000
The capital stock for the Bank of Louisville, . . . . .	2,000,000—\$10,000,000

The capital used in the several branches of these principal banks is—

In the Branch at Lexington, . . . . .	\$650,000
In the Branch at Frankfort, . . . . .	350,000
In the Branch at Maysville, . . . . .	450,000
In the Branch at Danville, . . . . .	220,000
In the Branch at Louisville, . . . . .	600,000
In the Branch at Paris, . . . . .	370,000
In the Branch at Covington, . . . . .	250,000
In the Branch at Richmond, . . . . .	150,000
In the Branch at Flemingsburg, . . . . .	100,000

This great inequality in the moneyed facilities afforded by the State to commercial and other industrial pursuits, cannot be claimed because

of any superiority of geographical position for the more favored sections, nor either from the natural course of trade and commerce.

The most wise and advantageous use to which bank accommodations can be applied, is toward building up manufactures, and in facilitating the transportation to the more valuable markets for our varied agricultural and mineral productions.

The superior advantages and peculiar adaptation for manufactures of those portions of this State situated upon the upper Cumberland, and upon Green River, and in the counties of Trigg, Caldwell, and Livingston, will be readily conceded by all who are correctly informed of the extensive beds of coal lying in those counties; and also, of their rich and inexhaustible iron ore—their dense and valuable forests, and boundless water-power. All these important and unrivalled advantages point out those counties as the great manufacturing regions of this great and growing Commonwealth.

That the organization of the Southern Bank, and its branches, will facilitate the development of the wealth and valuable resources of this vast portion of the State, your committee cannot entertain a doubt.

The citizens of the "Green River Country" did, in the month of September, 1838, hold a general convention, in which all their interests were fully and ably represented, and at which they resolved to petition the succeeding General Assembly for an increase of banking capital. In accordance with that resolve, they, at that date, respectfully represented that the want of a sufficiency of moneyed facilities for the South of Green River, had depressed their commercial enterprises—reduced the value at home of their agricultural and mineral productions—extensively and ruinously prejudiced the growth of their manufacturing interests, and retarded greatly the prosperity and advancement of that portion of the State.

Acting upon these representations, the Legislature, at the session of 1838, granted a charter for establishing the "Southern Bank of Kentucky," and authorizing the principal bank and four branches to be located south of Green River, and three branches north of Green River.

\* \* \* \* \*

The disastrous circumstances which surrounded the period of the date of its charter—the suspension of specie payments by many of the banks—the repudiation of their bonds by many of the States of the Union—the almost universal derangement in the monetary affairs of the country—and the general prostration of trade, of commerce, and of credit, rendered it impossible at that day, to obtain the stock, and at that time to put into operation the "Southern Bank of Kentucky."

It is now represented to your honorable body, that, with some slight, and, as your committee conceive, unobjectionable amendments to the original charter, the stock can and will be subscribed, and the principal bank and branches now be put into operation.

[The legislative proceedings in this case will be laid before our readers as soon as ascertained.—ED. B. M.]

## BANK STATISTICS.

Circular of the New Board of Directors of the Louisiana State Bank at N. Orleans.

LOUISIANA STATE BANK, *Feb. 17, 1849.*

*To the Stockholders.*—The Board of Directors, on entering upon their duties, deemed it proper to make a thorough examination of the condition of the institution, a majority of whose legal stockholders, in number and amount represented, had, by their partiality, devolved on them the management of its affairs; and having completed their task, they now consider it equally their duty to make known to their constituents the result of their labors.

The Board of Directors are impelled to this course by the consideration that it is proper the stockholders and the public should possess a correct knowledge of the condition of the bank; and, further, that the errors of the preceding administration may not attach in any degree to the present; and that each should be responsible for its own.

The examination of the assets of the bank has been made by the Board of Directors, whose time has been devoted to it daily since they entered upon their duties. It has been made with the greatest possible care and exactitude. The liabilities of the bank, as represented by the books, the accuracy of which they have no reason to doubt, they assume to be correctly stated.

The result of their examination will be found annexed; and it is a matter of profound regret to the board that the affairs of the bank, possessing as it has for a long time, many advantages over similar institutions of our city, should be found in a condition so unsatisfactory.

The stockholders, however, need not be discouraged by this unexpected result. The bank possesses a charter of great value, and which will not expire until 1870. A prudent and impartial management of its affairs will soon replace this ancient institution in the elevated position it occupied under the direction of its early administrations.

In estimating the losses, nothing was condemned as bad, unless by the unanimous concurrence of all the directors and the cashier, and no deduction has been made for interest on obligations running to maturity. The unquestionable losses which have been sustained by the bank, and which have been known for many years as such, amount to \$304,634 74, as is shown by the annexed statement; and in the opinion of many—an opinion, however, not entertained by this board—the amount due by the Orleans Navigation Company, \$116,693, is estimated as being of no value; and if it be so, then the total of the losses is \$421,327 74.

Deducting from the amount of the unquestionable losses, the very small amount to the credit of the profit and loss account, \$1,019 41, (there being no reserve fund whatever,) the capital of the bank is now deficient about 16 per cent.

On the 3d inst., the late Board of Directors declared a dividend of 4 per cent., which amounted to \$69,052 80, although at the time they had the evidence before them that the capital was deficient over \$230,000, estimating the debt due by the Orleans Navigation Company

as good; but if bad, then \$336,000. Thus in palpable and direct violation of the charter, did they make a further reduction of the capital to the amount of that dividend.

By the by-laws of the bank, this semi-annual dividend when declared is required to be made payable on the 10th day of February; but on this occasion, so desirous did the late board seem that this dividend should be paid before the new board could ascertain its illegality, and consequently revoke it, they made it payable on the 7th—and when this board entered upon its duties, the greater portion of it was already paid.

It is to this board at once a cause of surprise and regret, that the respectable attorney of the bank should, as the minutes show, have advised this most signal violation of law, by which the chartered rights and privileges of the stockholders of this institution may be placed in imminent jeopardy.

The large sum due by the Orleans Navigation Company to this bank, is worthy of special notice; it is equal to  $6\frac{1}{2}$  per cent. of the capital. This board is convinced that the Bayou St. John, Canal Carondelet and Basin, possesses great intrinsic value, the exclusive and perpetual proprietorship of which is vested in that company.

They are of opinion that by judicious improvements a considerable portion of the commerce with Alabama, Georgia, Florida, and the opposite side of the lake, may be attracted there; that such is the increase of trade with those States, particularly with Alabama, that the existing facilities furnished by the canal of the Canal Bank, and by the Pontchartrain Railroad, will in a few years be found quite inadequate to its transportation.

The time is not distant when the bank, and others interested in the company, may, with the most perfect safety, make such expenditures to effect the necessary improvements, as will ensure the payment of its existing debts with interest.

The enlargement of the old Basin—the widening of the Canal Carondelet—the straightening and dredging of the Bayou St. John, and making a good and safe entrance into the bayou at the lake, are the improvements contemplated. The great importance of such a work to the commercial interests generally, and particularly to the centre of the city, will no doubt ensure, if required, the aid of the State, and of the municipal authorities, for its completion.

For these reasons, this board does not consider the debt due by said company to the bank as a loss; but, on the contrary, esteem it to be eventually as safe as any debt due now this institution.

The books of the bank will be at all times subject to the examination of any of the late Board of Directors, should they desire to verify the statements made in this circular and in the annexed account, and detailed statements of the losses are in the possession of the cashier, subject to the examination of every stockholder.

By order of the Board:

SAMUEL J. PETERS, *President.*

[103-For legal proceedings in reference to the Louisiana State Bank, see page 644 in this No.]

*Statement of the Louisiana State Bank, Monday, 12th February, 1849.*

RESOURCES.		Estimated value.
Bills and notes discounted, . . . . .	\$2,130,427 92	\$2,090,427 92
Bills receivable, . . . . .	34,804 24	34,804 24
Loans on stock, . . . . .	109,643 00	109,643 00
Miscellaneous debts, . . . . .	186,361 83	60,786 41
Bills and notes discounted, protested, . . . . .	87,633 78	4,456 13
Stock notes protested, . . . . .	3,950 00	2,798 00
Orleans Navigation Co. bonds, . . . . .	116,693 00	116,693 00
Levee Steam Cotton Press Co. stock, . . . . .	11,872 00	6,950 00
Orleans Insurance Co. stock, . . . . .	8,700 00	10,000 00
Real estate, . . . . .	93,534 17	74,534 17
Office at St. Martinsville, . . . . .	61,300 64	31,300 64
Current expenses, . . . . .	837 67	.....
Cash, viz: Specie, . . . . .	958,076 46	
Notes of other Banks, . . . . .	80,273 91—1,038,350 37	1,038,350 37
	<u>\$3,884,103 62</u>	<u>\$3,580,773 88</u>
LIABILITIES.		
Capital stock, . . . . .	\$1,734,820 00	\$1,734,820 00
Circulation, . . . . .	538,080 00	538,080 00
Individual depositors, . . . . .	1,376,947 66	1,376,947 66
Dividends unpaid, . . . . .	34,796 10	34,796 10
Amount due local banks, . . . . .	187,567 66	187,567 66
Profit and loss, . . . . .	1,019 41	.....
Discount account, . . . . .	10,877 79	.....
	<u>\$3,884,103 62</u>	<u>\$3,872,211 42</u>
Value of the Assets, . . . . .		3,580,773 88
Amount of deficit being 16 per cent. on the capital, . . . . .		\$291,437 54
ESTIMATE OF LOSSES.		
On bills discounted, . . . . .	\$40,000 00	
Miscellaneous debts, . . . . .	125,575 42	
Bills discounted protested, . . . . .	83,147 65	
Stock notes protested, . . . . .	1,152 00	
Levee Steam Cotton Press stock, . . . . .	4,922 00	
Real estate, . . . . .	19,000 00	
Office of St. Martinsville, . . . . .	30,000 00	
Current expenses, . . . . .	837 67—	\$304,634 74
ESTIMATE OF GAINS.		
On Orleans Insurance Co. stock, . . . . .	\$1,300 00	
Profit and loss, . . . . .	1,019 41	
Discount account, . . . . .	10,877 79—	13,197 20
		<u>\$291,437 54</u>

(Signed)

SAM. J. PETERS,  
 JOHN R. SHAW,  
 W. P. CONVERSE,  
 J. U. LAVILLEBEUVRE,  
 JAMES REED,  
 D. F. BURTHE,  
 ALPHONSE MILTENBERGER,  
 J. M. LAPEYRE,  
 J. W. ZACHARIE.

RICHARD RELF, *Cashier.*

## OHIO.

[Compiled from the official Reports for the Bankers' Magazine.]  
*Recapitulation of the condition of the several Banks in the State of Ohio, from  
 their Returns to the Auditor of State, November, 1848.*

LIABILITIES.	11 Independent Banks.	39 Branches State Bank.	7 Old Banks.
Capital, . . . . .	\$626,825	\$3,716,367	\$2,311,226
Circulation, . . . . .	1,001,338	6,585,523	1,579,763
Bank Balances, . . . . .	194,613	251,802	533,754
Individual Deposits, . . . . .	996,773	2,098,453	1,075,127
Bonds with Treasurer, . . . . .	1,010,570	80,643	.....
State Tax, . . . . .	2,974	15,026	750
Surplus Fund, . . . . .	76,820	126,789	281,822
Bills Payable, . . . . .	11,940	77,090	134,096
Dividends Unpaid, . . . . .	50,370	117,778	20,635
Total, . . . . .	\$3,972,277	\$13,069,472	\$5,937,176
ASSETS.	Independents.	State Branches.	Old Banks.
Discounted Bills, . . . . .	\$1,752,075	\$8,179,978	\$3,746,797
Gold and Silver, . . . . .	303,520	2,193,848	403,333
Notes of other Banks, . . . . .	250,510	678,479	330,448
Bank Balances, . . . . .	170,908	474,734	274,519
Eastern Funds, . . . . .	350,164	679,434	556,986
State Bonds, . . . . .	1,099,802	699,648	.....
Real Estate, . . . . .	20,184	93,678	171,536
Miscellaneous, . . . . .	25,114	64,674	453,557
Total, . . . . .	\$3,972,277	\$13,069,472	\$5,937,176

*Names, Location, Capital, Circulation and Specie of the several Banks  
 (fifty-four in number) in Ohio, November, 1848.*

LOCATION.	NAME.	Capital.	Circulation.	Specie.
Athens, . . .	*Athens Branch State Bank, . .	\$40,995	\$80,997	\$24,650
Akron, . . .	*Akron Branch State Bank, . .	100,000	200,000	62,772
Ashtabula, . .	*Farmers Branch Bank, . .	69,510	100,000	37,964
Bridgport, . .	*Belmont Branch Bank, . .	60,000	102,435	36,138
Cleveland, . .	Canal Bank, . . . . .	50,000	51,624	9,316
"	City Bank, . . . . .	50,000	65,949	24,130
"	*Commercial Branch Bank, . .	175,000	304,830	93,448
"	*Merchants Branch Bank, . .	125,000	230,930	81,171
Cincinnati, . .	City Bank, . . . . .	49,800	52,062	7,925
"	Commercial Bank, . . . . .	50,000	49,155	24,680
"	*Franklin Branch Bank, . .	169,000	243,516	105,390
"	*Mechanics and Traders, . .	100,000	133,165	45,882
"	Lafayette Bank, . . . . .	700,000	236,069	101,131
"	Ohio Life and Trust Co. . . .	611,226	11,550	17,462
Columbus, . .	City Bank, . . . . .	122,925	225,786	56,328
"	*Exchange Branch Bank, . .	125,000	226,129	72,276
"	*Franklin Branch Bank, . .	175,000	304,973	98,104
"	Clinton Bank, . . . . .	300,000	565,651	111,214
Cadiz, . . . .	*Harrison County Bank, . .	70,200	137,033	43,437
Chillicothe, . .	*Ross County Bank, . . . .	121,750	226,761	70,251
"	*Chillicothe Branch, . . . .	228,105	368,143	104,543
Cuyahoga Falls,	*Summit County Branch, . .	100,000	199,072	47,388
Circleville, . .	Bank of Circleville, . . . .	200,000	248,230	83,197
Dayton, . . .	Dayton Bank, . . . . .	73,400	163,347	60,172
"	*Dayton Branch Bank, . . . .	154,780	218,546	75,080
Delaware, . .	*Delaware Co. Branch Bank, .	89,226	176,343	63,556

LOCATION.	NAME.	Capital.	Circulation.	Specie.
Elyria, . . .	*Lorain Branch Bank, . . .	60,000	119,126	37,176
Eaton, . . .	Preble County Branch Bank, . .	71,950	115,903	57,509
Lancaster, . .	*Hocking Valley Branch, . .	85,200	169,961	52,455
Mansfield, . .	*Farmers Branch, . . . . .	59,320	112,357	35,410
Mt. Vernon, . .	*Knox County Branch, . . .	60,000	104,768	42,546
Marietta, . . .	*Marietta Branch, . . . . .	69,561	136,605	42,387
Mt. Pleasant, . .	*Mt. Pleasant Branch, . . .	60,000	118,278	37,302
Massillon, . .	*Union Branch, . . . . .	94,930	187,865	61,962
"	Bank of Massillon, . . . . .	200,000	295,618	52,360
Norwalk, . . .	Bank of Norwalk, . . . . .	200,000	110,133	16,886
"	*Norwalk Branch Bank, . . .	77,400	153,602	50,446
Painesville, . .	Bank of Geauga, . . . . .	30,000	54,315	26,412
Piqua, . . . .	*Piqua Branch Bank, . . . .	73,923	144,064	44,272
Portsmouth, . .	*Portsmouth Branch, . . . .	100,000	197,750	65,815
Ripley, . . . .	*Farmers Branch, . . . . .	79,560	135,432	48,380
Ravenna, . . .	*Portage County Branch, . . .	67,030	103,673	42,194
Sandusky, . . .	Sandusky City Bank, . . . . .	50,000	50,126	11,330
"	Bank of Sandusky, . . . . .	100,000	112,467	21,076
Salem, . . . .	*Farmers Branch Bank, . . . .	81,330	159,894	50,654
Steubenville, . .	*Jefferson Branch Bank, . . .	100,000	191,046	82,609
Springfield, . .	*Mad River Valley Branch, . .	100,000	192,963	60,779
Tiffin, . . . .	Seneca County Bank, . . . . .	30,000	68,601	13,787
Toledo, . . . .	*Commercial Branch, . . . . .	120,000	228,543	68,196
"	*Toledo Branch Bank, . . . .	130,500	221,853	70,000
Troy, . . . . .	*Miami County Branch, . . . .	65,281	125,373	45,162
Warren, . . . .	Western Reserve Bank, . . . .	40,000	106,901	41,382
Wooster, . . . .	*Wayne County Branch, . . . .	50,900	97,038	40,506
Xenia, . . . . .	*Xenia Branch Bank, . . . . .	150,000	249,314	73,458
Zanesville, . .	*Muskingum Branch, . . . . .	55,900	63,132	22,570
"	Franklin Bank, . . . . .	80,700	113,522	28,106
Total, . . . . .		\$6,654,418	\$9,166,679	\$2,900,700

\* Branches of the State Bank of Ohio, 38 in number.

The Capital Stock of the Ohio Life and Trust Company is \$2,000,000, which is loaned on real estate. The capital of \$611,226, on which it is doing business as a Bank, consists of loans made to the Co. on which it pays interest.

## Comparative Condition.

RESOURCES.	May, 1847.	November, 1848.
Loans, . . . . .	\$10,936,661	\$13,678,848
Specie, . . . . .	2,026,551	2,900,700
Bank Notes, . . . . .	1,081,561	1,259,437
Bank Balances, . . . . .	519,868	920,162
Eastern Funds, . . . . .	1,262,166	1,586,584
State Bonds, . . . . .	1,170,270	1,799,451
Miscellaneous, . . . . .	1,331,640	833,744
Total, . . . . .	\$18,323,719	\$22,978,926
LIABILITIES.	May, 1847.	November, 1848.
Capital, . . . . .	\$5,071,729	\$6,654,418
Circulation, . . . . .	7,281,029	9,166,679
Bank Balances, . . . . .	1,051,860	930,170
Deposits, . . . . .	3,356,837	4,170,360
Bonds, . . . . .	806,000	1,091,212
State Tax, . . . . .	17,854	18,750
Surplus Fund, . . . . .	269,004	435,431
Miscellaneous, . . . . .	474,406	411,906
Total, . . . . .	\$18,323,719	\$22,978,926



## PATENT OFFICE REPORT FOR 1848-9.

The following interesting tables form a part of the Annual Report of the Commissioner of Patents for 1848-9; and published in advance of the printed document itself. The figures are mere estimates, but they must approximate more closely to the facts than any other tables in the possession of the public, upon these subjects. The results are no doubt obtained after careful enquiries in proper channels; and, for all statistical purposes, and as a basis of calculation for political economists, they are sufficiently correct.

It would add much to the value of the Patent Office Reports, hereafter, if they entered more fully into a consideration of the progress of improvements in the Arts and Sciences, as indicated by the new patents themselves; and also as indicated through the Journals of Science published in Great Britain and the Continent of Europe, as well as in our own country.

It seems to us that the Commissioner of Patents should be a person of acknowledged acquirements in science; practically familiar with general science, with the principles of mechanics and the arts: and capable of himself producing an accurate *Survey of the Progress of Science throughout the World*.

*Estimates of Crops in the United States in the year 1848.*

STATES AND TERRITORIES.	Population in 1840.	Estimated, 1848.	Wheat, Bushels.	Barley, Bushels.	Oats, Bushels.	Rye, Bushels.	Buckwheat, Bushels.
Maine, . . . .	501,793	615,000	900,000	290,000	2,000,000	200,000	80,000
New Hampshire, .	284,574	308,000	620,000	132,000	2,500,000	500,000	175,000
Massachusetts, .	737,699	875,000	260,000	175,000	2,300,000	750,000	145,000
Rhode Island, . .	108,830	135,000	4,600	55,000	220,000	55,000	5,000
Connecticut, . .	309,978	340,000	130,000	30,000	2,000,000	1,500,000	500,000
Vermont, . . . .	291,948	310,000	680,000	60,000	3,500,000	370,000	350,000
New York, . . . .	2,428,921	2,880,000	15,500,000	4,300,000	28,000,000	4,000,000	3,860,000
New Jersey, . . .	373,306	425,000	1,200,000	12,000	5,800,000	3,300,000	1,000,000
Pennsylvania, . .	1,724,033	2,220,000	15,200,000	155,000	20,000,000	13,500,000	3,800,000
Delaware, . . . .	78,085	85,000	450,000	4,500	700,000	65,000	16,000
Maryland, . . . .	470,019	510,000	5,150,000	3,000	2,200,000	1,200,000	120,000
Virginia, . . . .	1,239,797	1,295,000	12,250,000	94,000	11,000,000	1,800,000	270,000
North Carolina, .	753,419	780,000	2,450,000	4,200	4,000,000	300,000	20,000
South Carolina, .	594,398	620,000	1,400,000	4,800	1,250,000	60,000	.....
Georgia, . . . .	691,392	825,000	2,100,000	12,600	1,500,000	80,000	.....
Alabama, . . . .	590,756	716,000	1,300,000	7,800	2,000,000	85,000	.....
Mississippi, . . .	375,651	670,000	550,000	2,250	1,500,000	30,000	.....
Louisiana, . . . .	352,411	490,000	.....	.....	.....	2,500	.....
Tennessee, . . . .	829,210	980,000	9,000,000	6,800	10,500,000	400,000	34,000
Kentucky, . . . .	779,823	890,000	6,500,000	20,000	15,000,000	2,800,000	18,000
Ohio, . . . . .	1,519,467	1,980,000	20,000,000	300,000	30,000,000	1,250,000	1,500,000
Indiana, . . . . .	685,866	1,000,000	8,500,000	42,000	17,000,000	300,000	110,000
Illinois, . . . . .	476,183	800,000	5,400,000	120,000	5,000,000	170,000	130,000
Missouri, . . . .	383,702	589,000	2,000,000	15,000	7,000,000	90,000	30,000
Arkansas, . . . .	97,574	200,000	500,000	1,100	500,000	12,000	.....
Michigan, . . . .	212,267	420,000	10,000,000	300,000	6,000,000	100,000	310,000
Florida, . . . . .	54,477	80,000	.....	.....	13,000	.....	.....
Wisconsin, . . . .	30,945	250,000	1,600,000	35,000	2,500,000	10,000	40,000
Iowa, . . . . .	43,112	150,000	1,300,000	40,000	1,500,000	15,000	25,000
Texas, . . . . .	.....	150,000	1,300,000	.....	.....	.....	.....
Dist. Columbia, .	43,712	48,000	20,000	.....	17,000	8,000	.....
Oregon, . . . . .	.....	50,000	100,000	.....	.....	.....	.....
Total, . . . . .	17,063,353	21,686,000	126,364,600	6,222,050	185,500,000	32,952,500	12,538,000

STATES AND TERRITORIES.	Potatoes, Bushels.	Indian Corn, Bushels.	Hay, Tons.	Hemp, Tons.	Tobacco, Pounds.	Cotton Pounds.	Rice. Pounds.
Maine, . . .	9,000,000	3,000,000	1,200,000	.....	.....	.....	.....
N. Hamp. . .	5,000,000	2,600,000	680,000	.....	.....	.....	.....
Massachusetts,	4,800,000	3,800,000	750,000	.....	150,000	.....	.....
Rhode Island, .	800,000	900,000	90,000	.....	.....	.....	.....
Connecticut, .	3,500,000	3,400,000	650,000	.....	825,000	.....	.....
Vermont, . .	8,000,000	2,500,000	1,400,000	.....	.....	.....	.....
New York, . .	27,000,000	17,500,000	4,200,000	.....	36,000	.....	.....
New Jersey, .	2,100,000	9,000,000	470,000	.....	.....	.....	.....
Pennsylvania,	8,200,000	21,000,000	2,000,000	.....	610,000	.....	.....
Delaware, . . .	200,000	3,850,000	25,000	.....	.....	.....	.....
Maryland, . .	1,000,000	8,800,000	130,000	.....	23,000,000	.....	.....
Virginia, . .	3,500,000	38,000,000	430,000	.....	45,000,000	2,800,000	3,500
N. Carolina, .	3,200,000	26,000,000	140,000	.....	13,000,000	45,000,000	3,600,000
S. Carolina, .	4,200,000	13,500,000	35,000	.....	33,000	105,000,000	90,000,000
Georgia, . .	2,000,000	27,000,000	28,000	.....	220,000	220,000,000	18,000,000
Alabama, . .	2,500,000	28,000,000	21,000	.....	360,000	165,000,000	350,000
Mississippi, .	2,600,000	17,000,000	1,000	.....	215,000	245,000,000	1,200,000
Louisiana, . .	1,800,000	10,600,000	30,000	.....	.....	190,000,000	5,000,000
Tennessee, .	3,000,000	76,600,000	50,000	800	36,500,000	36,000,000	12,000
Kentucky, . .	2,200,000	65,000,000	140,000	11,000	68,000,000	2,200,000	25,000
Ohio, . . .	5,000,000	70,000,000	1,600,000	500	9,500,000	.....	.....
Indiana, . .	2,500,000	45,000,000	500,000	480	3,950,000	.....	.....
Illinois, . . .	2,300,000	40,000,000	450,000	550	1,340,000	.....	9,000
Missouri, . .	1,200,000	28,000,000	100,000	7,000	15,600,000	.....	.....
Arkansas, . . .	800,000	8,000,000	1,500	.....	220,000	25,000,000	.....
Michigan, . .	5,000,000	10,000,000	400,000	.....	.....	.....	.....
Florida, . . .	500,000	1,250,000	1,500	.....	350,000	18,000,000	1,000,000
Wisconsin, . .	1,250,000	1,500,000	150,000	.....	.....	.....	.....
Iowa, . . .	1,000,000	3,500,000	60,000	.....	.....	.....	.....
Texas, . . .	300,000	1,800,000	.....	.....	.....	12,000,000	.....
Dist. Columbia, .	25,000	50,000	2,000	.....	.....	.....	.....
Oregon, . . .	.....	1,000,000	.....	.....	.....	.....	.....

Total, . . . 114,475,000 588,150,000 15,735,000 20,330 218,909,000 1,066,000,000 119,199,500

The Sugar crop of this year is deficient and is estimated only at two hundred millions of pounds. No estimates of the quantity of Maple Sugar has been made on account of the difficulty of procuring reliable information in regard to it.

*Comparative Estimates for 1847 and 1848.*

ARTICLE.	Year 1847.	Year 1848.	Production per head for 1848.
Wheat, bushels, . . . . .	114,245,500	126,364,600	5 $\frac{3}{4}$ bushels.
Corn, " . . . . .	539,350,000	588,150,000	27 "
Potatoes, " . . . . .	100,965,000	114,475,000	5 $\frac{1}{4}$ "
Oats, " . . . . .	167,867,000	185,500,000	8 $\frac{1}{2}$ "
Rye, " . . . . .	29,222,700	32,952,500	1 $\frac{1}{2}$ "
Buckwheat, bushels, . . . . .	11,673,500	12,538,000	4-5 "
Barley, " . . . . .	5,649,950	6,222,050	28-100 "
Hay, tons, . . . . .	13,819,900	15,735,000	$\frac{3}{4}$ ton.
Hemp, " . . . . .	27,950	20,330	2 pounds.
Tobacco, lbs. . . . .	220,164,000	218,909,000	10 "
Cotton, " . . . . .	1,041,500,000	1,066,000,000	49 "
Rice, " . . . . .	103,040,500	119,199,500	5 $\frac{1}{2}$ "
Silk Cocoons, lbs. . . . .	404,600	.....	...
Sugar, " . . . . .	324,940,500	200,000,000	10 "
Population, . . . . .	20,746,000	21,686,000	...

## THE FUTURE SUPPLY OF GOLD.

BY DAVID T. ANSTED, PROFESSOR OF GEOLOGY, KING'S COLLEGE, LONDON.

On the probable influence of the Gold of California on the commercial value of Gold—On the nature of money—The capital stock of Gold—The annual supplies of Gold—Loss of Gold by use.

Gold being a metal highly indestructible, and, owing to its comparative rarity and the many uses to which it can be applied, exceedingly valuable, has been made use of in most parts of the world as a medium of exchange; and in order, as it was supposed, to facilitate commercial operations and simplify many calculations of national importance, has been taken with silver as the standard of money value. In our own country (as has been just explained) the relative value of gold and silver is fixed by law, gold being a legal tender, and silver coins bearing a fixed ratio to gold.

Gold and silver, however, although their value is thus fixed, so far as they have reference to coins in our own country, are, like all objects of value that exist in nature, and are obtained from the earth by an expenditure of labor, subject to great fluctuations in real value, as a larger or smaller quantity of them happens to be in the market. Up to the present time, nothing that has occurred since the year 1816, (when the standard values were fixed by Act of Parliament, and gold made a legal tender for all sums above 40s.) has so far deranged the relative values of the precious metals as to produce inconvenience; but it is manifest that any permanent increase in the supply of either would alter their relative values, and render the present standard inapplicable.

The meaning of this may be made more clear by a simple example. The annual income of Great Britain amounts to a certain number of millions of pounds sterling, say fifty-six millions, and this under present circumstances would be represented by somewhat more than nine hundred thousand pounds weight avoirdupois of fine gold. But this income might also be paid by about thirteen millions of pounds weight of pure silver, if silver were a legal standard, or if the silver were employed to purchase in the market its value in gold. Now if we suppose the quantity of available gold doubled without that of the silver being perceptibly increased, the proportionate value of gold and silver in the world must be altered to a great extent, and the required weight of gold purchasable for a smaller quantity of silver than thirteen millions of pounds, since the relative value of the metals in other countries than our own depends to some extent (although as we shall presently see not entirely) on the quantities of the two substances in the market, and the value of both compared with that of food and labor.

As however the whole subject of the value of the precious metals is frequently very ill-understood by those whom notwithstanding it greatly concerns, it will be worth while here to place it distinctly before the reader; and as I am not aware that any writer on the subject has done so with a more distinct perception of the state of the case than Dr. Adam Smith, I make no apology for offering the following extracts from his work on the *Wealth of Nations* :—

The value of any commodity, to the person who possesses it, and who means not to use or consume it himself, but to exchange it for other commodities, is equal to the quantity of labor which it enables him to purchase or command. Labor, therefore, is the real measure of the exchangeable value of all commodities.

But though labor be the measure of this value, it is not that by which their value is commonly estimated. It is often difficult to ascertain the proportion between two different quantities of labor, and the time spent in two different sorts of work will not always alone determine this proportion. It is more natural therefore to estimate its exchangeable value by the quantity of some other commodity than by that of the labor which it can produce; and hence also it comes to pass that the exchangeable value of every commodity is more frequently estimated by the quantity of *money*, than by the quantity, either of labor or of any other commodity, which can be had in exchange for it.

Gold and silver, however, like every other commodity, vary in their value, being sometimes cheaper and sometimes dearer, sometimes of easier and sometimes of more difficult purchase. The quantity of labor which any particular quantity of them can purchase or command, or the quantity of other goods which it will exchange for, depends always upon the fertility or barrenness of the mines which happen to be known about the time which such exchanges are made. The discovery of the abundant mines of America reduced in the sixteenth century the value of gold and silver in Europe, to about a third of what it had been before. As it cost less labor to bring those metals from the mines to the market, so, when they were brought thither, they could purchase or command less labor; and this revolution in their value, though perhaps the greatest, is by no means the only one of which history gives some account.

Now, although it is true that at distant places there is no regular proportion between the real and the money price of commodities, yet the merchant who carries goods from the one to the other has nothing to consider but the money price, or the difference between the quantity of silver or gold for which he buys them, and that for which he is likely to sell them. Half an ounce of silver at Canton in China, may command a greater quantity both of labor and of the necessities and conveniencies of life, than an ounce at London. If a London merchant, however, can buy at Canton for half an ounce of silver, a commodity which he can afterwards sell at London for an ounce, he gains a hundred per cent. by the bargain, just as much as if an ounce of silver was at London exactly of the same value as at Canton. An ounce at London will always give him the command of double the quantity of all these, which half an ounce could have done there, and this is precisely what he wants.

In reality, during the continuance of any one regulated proportion between the respective values of the different metals in coin, the value of the most precious metals regulates the value of the whole coin. Twelve copper pence contain half a pound avoirdupois of copper, of not the best quality, which before it is coined is seldom worth seven pence in silver. But as, by the regulation, twelve such pence are ordered to exchange for a shilling, they are in the market considered as worth a shilling, and a shilling can at any time be had for them.

The occasional fluctuations in the market price of gold and silver bullion arise from the same causes as the like fluctuations in that of all other commodities. The frequent loss of those metals from various accidents by sea and by land, the continual waste of them in gilding and plating, in lace and embroidery, in the wear and tear of coin, and in that of plate, require, in all countries which possess no mines of their own, a continual importation in order to repair this loss and this waste. The merchant-importers, like all other merchants, we may believe, endeavor as well as they can to suit their occasional importations to what they judge is likely to be the immediate demand. With all their attention, however, they sometimes overdo the business, and sometimes underdo it. When they import more bullion than is wanted, rather than incur the risk and trouble of exporting it again, they are sometimes willing to sell a part of it for something less than the ordinary or average price. But when, under all those occasional fluctuations, the market price either of gold or silver bullion continues for several years together, steadily and constantly, either more or less above or more or less below the Mint price, we may be assured that this

steady and constant, either superiority or inferiority of price, is the effect of something in the state of the coin, which at that time renders a certain quantity of coin either of more value or of less value than the precise quantity of bullion which it ought to contain. The constancy and steadiness of the effect suppose a proportionable constancy and steadiness in the cause.

The money of any particular country is, at any particular time and place, more or less an accurate measure of value, according as the current coin is more or less exactly agreeable to its standard, or contains more or less exactly the precise quantity of pure gold or pure silver which it ought to contain.

We now give one more extract from the same great authority in illustration of the important but ill-understood principle, that the true revenue of society consists *altogether* in the goods possessed, not in the money itself, which he compares to the wheel which circulates them :—

It is the ambiguity of language only which can make this proposition appear either doubtful or paradoxical. When properly explained and understood, it is almost self-evident.

When we talk of any particular sum of money, we sometimes mean nothing but the metal pieces of which it is composed, and sometimes we include in our meaning some obscure reference to the goods which can be had in exchange for it, or to the power of purchasing which the possession of it conveys. Thus, when we say that the circulating money of England has been computed at eighteen millions, we only mean to express the amount of the metal pieces which some writers have computed, or rather have supposed to circulate in that country. But when we say that a man is worth £50 or £100 a year, we mean commonly to express not only the amount of the metal pieces which are annually paid to him, but the value of the goods which he can annually purchase or consume; we mean commonly to ascertain what is or ought to be his way of living, or the quantity and quality of the necessaries and conveniences of life in which he can with propriety indulge himself.

When by any particular sum of money we mean not only to express the amount of the metal pieces of which it is composed, but to include in its signification some obscure reference to the goods which can be had in exchange for them; the wealth or revenue which it in this case denotes, is equal only to one of the two values which are thus intimated somewhat ambiguously by the same word, and to the latter more properly than to the former, to the money's worth more properly than to the money.

Thus, if a guinea be the weekly pension of a particular person, he can in the course of the week purchase with it a certain quantity of subsistence, conveniences and amusements. In proportion as this quantity is great or small, so are his real riches, his real weekly revenue. His weekly revenue is certainly not equal both to the guinea and to what can be purchased with it, but only to one or other of those two equal values, and to the latter more properly than to the former, to the guinea's worth rather than to the guinea.

If the pension of such a person was paid to him, not in gold but in a weekly bill for a guinea, his revenue surely would not so properly consist in the piece of paper as in what he could get for it. A guinea may be considered as a bill for a certain quantity of necessaries and conveniences upon all the tradesmen in the neighborhood. The revenue of the person to whom it is paid does not so properly consist in the piece of gold, as in what he can get for it, or in what he can exchange it for. If it could be exchanged for nothing, it would, like a bill upon a bankrupt, be of no more value than the most useless piece of paper.

Money, therefore, the great wheel of circulation, the great instrument of commerce, like all other instruments of trade, though it makes a part, and a very valuable part of the capital, makes no part of the revenue of the society to which it belongs; and though the metal pieces of which it is composed, in the course of their annual circulation, distribute to every man the revenue which properly belongs to him, they make themselves no part of that revenue.—*Smith's Wealth of Nations, ante cit.*

Having thus by a few extracts from the great authority in political economy brought before the reader the true nature of money, both as a source of revenue and a circulating medium, we may proceed to the main object of this chapter, namely, to show the probable influence of a large increase in the stock of gold poured annually into the metal market.

There can, of course, be no doubt that the influx, whether sudden or gradual, of so large a quantity of either of the precious metals as to affect manifestly either the prices of goods or the relative value these metals at present bear to each other, would, in the case of England, have a distinct influence on the standards of gold and silver. It becomes, therefore, important to consider, at a very early stage of any possible change of this kind, what increase is likely to take place, and what would be sufficient to produce a really perceptible result. If it appear that the supplies from California threaten any such result, it might be advisable to meet the evil and make arrangements in time—a matter that could probably be done without much difficulty; but if it appear from a fair calculation that no such mischance is likely to happen, we may let events take their course quietly, and watch with interest, but without fear, the development of the resources now suddenly made available.

An interesting question that must be discussed here is the probable total annual supply of gold and silver throughout the world, as well now and within the last fifty years, as for the 300 years that have elapsed between the discovery of America and the commencement of the present century.

It is true that very rough estimates must suffice for many of these points, and possibly information exists that would give much more accurate results than any that will be here offered; but such information is not at the moment attainable by the author, and the general conclusion, would not, he believes, be affected by it.

The supplies of the precious metals received from the various parts of the world, described in former pages, vary exceedingly in amount in different years, so that it is difficult to obtain any average without taking into account a large number of years. It appears from calculations made at the beginning of this century by Humboldt, that the quantity actually extracted from the South American mines, from the discovery of the New World to the year 1803, a period of nearly three centuries, was 9,915,000 marcs Castile weight of gold, and 512,700,000 marcs of silver; or estimating the marc of Castile at 4,800 grains, 6,798,771½ lbs. avoirdupois of gold, and 351,565,714½ lbs. of silver; and the value of the metals estimated roughly, may be stated as three hundred and seventy-five millions sterling in gold, and twelve hundred and eighty millions in silver, the proportion between the two metals in quantity being as one to fifty-one, but in value as one to three and a half. From this value, however, must be deducted about one-eighteenth part, either retained in America, or exported to Asia direct, leaving a total of fifteen hundred and sixty millions sterling imported into the Old World. It is possible that this calculation may be too high, and the translator of Humboldt's work gives the total amount as some-

thing less than twelve hundred millions sterling instead of fifteen hundred and sixty. The value of the marc of Castile is however considered to be as stated in the text, and gold and silver are taken according to present values, allowing for one-twelfth alloy.

It was also calculated by Humboldt that the quantity of gold obtained by the Spaniards on the first discovery of America, and brought to Europe, did not in all probability exceed in value five millions sterling, and it may therefore be neglected in any calculation affecting the whole amount.

There must have been a very large quantity of gold and silver in use and circulation in the civilized countries of the Old World, before the discovery of America, and this quantity has been estimated by Mr. Jacob to have amounted to £34,000,000 in coin alone. The total amount in value, including all that was employed in plate and hoarded, was probably not less than £150,000,000, of which we may consider perhaps that twenty millions was gold; but this is only conjecture.

The proportion between the quantity and value of gold and silver has always been very different, owing possibly to the many more purposes for which silver is used. It might be supposed at first sight that the value and the quantity would bear the same proportion, as those metals in our own country are made to bear an invariable ratio to each other, but this is by no means the case. This is illustrated by Adam Smith in the case of different kinds of food. He says,—

The price of an ox is about three-score times the price of a lamb. It would be absurd, however, to infer from thence that there are commonly in the market three-score lambs for one ox, and it would be just as absurd to infer, because an ounce of gold will commonly purchase from fourteen to fifteen ounces of silver, that there are commonly in the market only fourteen or fifteen ounces of silver for one ounce of gold.

It appears from good historical evidence that the value of fine gold to fine silver, before the discovery of America, varied between one to ten and one to twelve; that is, one ounce of gold was worth from ten to twelve ounces of silver. About the middle of the last century the ounce of gold became worth fourteen to fifteen ounces of silver, and is now fixed at  $14\frac{7}{8}$  ounces nearly, or about equal to that which obtained in ancient Greece. [More accurately 14.2878; the shilling being fixed at 80.727 grains fine silver, and the sovereign at 113.001 fine gold. We have therefore the ratio =  $\frac{80.727 \times 20}{113.201} = \frac{1614.540}{113001} = 14.2878$ .]

The discovery of America, therefore, and the influx of the precious metals to the extent of upwards of fifteen hundred millions sterling, in addition to the regular sources of supply and the accumulations in Europe to that period (the quantity of the two metals being in the proportion of fifty-one ounces of silver for each ounce of gold, and the value, as we have said, from ten to fifteen ounces of silver for one of gold,) trebled the money value of labor and corn; but in spite of the enormously larger proportion of silver introduced, it has increased the value of gold by only one-fifth part, owing no doubt to the far larger use of silver in the arts, partly consequent upon its greater abundance. In a work published in 1807, it was estimated that the value of the gold and



silver together brought into circulation, was then about £10,000,000, and of this quantity about three-quarters of a million was probably gold and the rest silver. This agrees with the estimate made by other authors, that about one-fourth part of the whole supply affects the circulation. It may therefore be some guide in future calculations.

The differences above referred to, have as yet induced no corresponding change in the standard, nor has such a change been rendered necessary in the smallest degree. The precious metals still flow into and from our country, according to the course of exchange and the general value of gold as affected by local and temporary causes; so that, although the quantity of gold has been so vastly increased by recent importations from Siberia, some outlet must have been found to prevent the change from being seen or felt.

It is considered by those who have made careful calculations on this subject, that the average annual supply of gold for some years past must have exceeded five millions sterling, that of silver amounting to eight millions or thereabouts; and that while the supply of silver has been for some years increasing with some degree of regularity, that of gold has also increased, but chiefly within a few years. The latter supposition, there can be no doubt, is true, as the evidence already given with regard to the supply from the Ural and Siberia abundantly proves; and it has indeed at present amounted to this, that each ounce of gold has latterly been balanced by only thirty ounces of silver, instead of fifty, as had been the case for some years previously; the value of the whole of the silver introduced being thus double that of the gold, though formerly it was treble.

Are there, however, it may be asked, no necessary bounds set to this absorption of a material, which, like gold, is of limited use in the arts? Perhaps the best answer will be given by comparing the following table, carefully made by Humboldt, with the relative values of gold and silver in the world within the period of the last three centuries.

*Proportionate Supply of Gold and Silver from America.*

<i>Periods.</i>	<i>Average annual importation.</i>	<i>REMARKS.</i>
1492-1500,	£53,750	Till 1525 gold chiefly produced, after that silver almost exclusively.
1500-1545,	645,000	
1545-1600,	2,365,000	Silver very largely predominating.
1600-1700,	3,546,000	Potosi mines exhausted after the middle of the century.
1700-1750,	4,637,500	Brazilian gold mines wrought and very large quantities of gold introduced.
1750-1803,	7,589,500	Brazilian gold mines alone estimated to produce gold to the annual value of one and three-quarters million sterling.

No materials seem to exist for determining the quantity of gold which at different periods has flowed from one continent to the other; but it is certain, that while the principal metal till 1525 was gold, the silver afterwards preponderated in the proportion of 60 or 65 to 1, until the commencement of the eighteenth century, when the Brazilian alluvial washings coming into work, the proportion was enormously changed; for while the silver mines yielded about the same as before, the gold in-

creased so as to alter the mean annual average supply of the precious metal from three and a half to more than seven and a half millions. Towards the close of the eighteenth century the gold supplies began to fail, and those of silver to increase, the general result seeming to show that the proportion was reduced from 60 to 1 to 22 to 1, although it afterwards rose to nearly 40 to 1, and again sunk to 30 to 1. These very considerable fluctuations seem to have produced a comparatively trifling result, so far as the use of the precious metals in coinage gives evidence of such result; but the real amount of change,—if estimated in the proportion of the difference to the total amount of specie,—and the mean annual supply, will be seen to be very large. We ought not, however, to be astonished, as Humboldt well observes, [*Political Essay, ante cit. book iv. chapter xi.*] that:—

The proportion between the respective values of gold and silver has not always varied in a very sensible manner, according as one of these may have preponderated in the mass of metal imported from America into Europe. The accumulation of silver appears to have produced its whole effect anterior to the year 1650, when the proportion of gold and silver was as 1 to 15. Since that period the population and commercial relations of Europe have experienced such a considerable increase, that the variations in the value of the precious metals have depended on a great number of combined causes, and especially on the exportation of silver to the East Indies and China and its consumption in plate.

If also Europe, at the commencement of the present century, produced, according to Monsieur de Villefosse, forty ounces of silver for one of gold, it appears on the other hand that in the 15th and 16th centuries, the proportion was more in favor of the silver, since during that period the silver mines were much more productive than the gold washings, so that probably the value of gold must have risen in Europe, even without the discovery of America."

Within the last quarter of a century the supply of gold has greatly exceeded the supply on record for any former period, at length reaching to the value of more than six millions per annum; while the value of silver, although slowly increasing, has probably not exceeded eight millions.

But we must consider somewhat more in detail the statistics of the precious metals within the last fifty years, and the increase made to the stock of the precious metals within that period, so as to determine, as far as possible, the present amount of capital stock. It is only thus that we can estimate the influence of any sudden and considerable increase in the supply.

The following account (Table I.) will give the probable annual supply at present, without including California, but making an ample allowance for the quantity which, there seems no reason to doubt, may be expected from Siberia.

TABLE I. *Showing the present supply of gold and the sources of the supply.*

Europe, excluding Russia, . . . . .	£ 200,000
Siberia, . . . . .	4,000,000
Asia, excluding Siberia, . . . . .	500,000
Africa, . . . . .	400,000
North America, . . . . .	200,000
South America, . . . . .	1,200,000—£6,500,000

The subjoined table (II.) gives the probable supply at the commencement of the present century.

TABLE II. *A comparative statement of the gold annually produced by Europe, Northern Asia and South America, in the beginning of the 19th century.*

Europe, . . . . .	£185,020
Northern Asia, . . . . .	76,770
New Spain, . . . . .	£229,630
New Grenada, . . . . .	672,500
Peru, . . . . .	111,530
Potosi and the provinces to the east of the Andes, formerly included in the vice-royalty of Buenos Ayres, . . . . .	72,180
Chili, . . . . .	400,550
Brazil, . . . . .	930,870
	<hr/>
	2,467,260
Total, . . . . .	£2,729,050

The produce, on the average of the last few years, may therefore be assumed as not less than four millions annually, and for the preceding forty years we may consider that it reached at least two millions and three-quarters, so that the total amount for the half century may be estimated as follows:

8 years at £4,000,000 . . . . .	£ 32,000,000
40 years at 2,750,000 . . . . .	110,000,000—£142,000,000

It now appears that the addition of three hundred and fifty millions sterling in gold from America alone, during three centuries accompanied by great, sudden, and frequent changes in the relative quantity of gold and silver introduced, acting upon a capital stock of not more than a hundred and fifty millions, was needed to produce the effects on currency and on the price of labor already referred to. But it also appears that the quantity added within the last half century, amounting to much more than a third of that amount, has scarcely produced any marked result, or affected either the price of goods or the relative value of the precious metals. It is evident therefore that a very large increase indeed, even in comparison with the additional three or four millions sterling unexpectedly thrown into the market within the last few years, from Siberia, and which may no doubt be continued, would be required to produce any marked result that should require a modification of the standards of gold and silver in England.

Now let us consider how much of the capital stock of gold and silver, or the annual increment to that stock, is disposed of in successive years, and what proportion of it enters into circulation as coined money. It was supposed by Forbonnais that, between the time of the discovery of America and the year 1724, one-half the precious metals had been absorbed by the Indian and Levant trade, and one-fourth, or the half the remainder used in plate, or lost in melting, or by manufacture into trinkets; and M. Gerboux, who endeavored to verify and extend the calculations of Forbonnais, considers that the actual specie in circulation in Europe in 1766, and some years afterwards, amounted to upwards of four hundred millions sterling; but this estimate is probably too high.

However this may be—the loss by trade and absorption by the Indian trade has been gradually diminishing, the manufactures of Great Britain being now considerably more valuable than the produce imported from those countries. For many years past, therefore, the principal deductions to be made from the increasing stock of gold, would be from the loss by wear and the uses of this metal in the arts. We are not aware of any data that will aid us in calculating the amount of this deduction, but the uses of gold are numerous, and the quantity required for various purposes very large.

In 1810, it appeared from calculations made from the returns to government of the quantity paying duty, that the quantity of gold wrought in France by goldsmiths amounted to 7138 pounds weight avoirdupois, worth nearly £450,000. If this was the case during the time when the maritime war prevented importation, and in one country of Europe, it may well be imagined that the total consumption of gold in this way, in the whole continent, must have been very large. If we estimated it at two millions sterling at that time, it would probably be below the mark. No doubt a part of this supply was obtained from old plate, but there must still have been required an enormous amount of the precious metal to be taken out of the annual supply from mines. We must now add to this amount the quantity of gold used in gilding, and in other ways not paying duty, and also the increase in consumption during thirty years of peace and luxury.

The quantity of silver paying duty in the same year, in France, was about 176,500 pounds weight—value about £700,000. [*Humboldt ante cit. Supplement.*]

It is probable, therefore, that any very considerable increase in the amount of gold within certain limits would be readily applied in various useful ways; while on the other hand a large, though not, perhaps, an important quantity of the present supply would be withheld, owing to the cost of extraction not leaving a fair profit on the capital employed.

The gradual hoarding of the precious metals in the different countries of Europe must also affect to a very considerable extent the actual quantity of gold in circulation; but it does not seem to have had any influence upon the ratio, and has, perhaps, even assisted in diminishing the fluctuations. Many years ago, it appeared that the annual supply of both the precious metals together did not exceed one per cent. upon the whole amount of capital represented in that form.

Humboldt, to whose 'Political Essay on New Spain' we have already so frequently adverted, says, in reference to the question which we are now chiefly concerned in discussing, namely: whether the interests of society would really suffer from a considerable accumulation of specie,

It is sufficient to observe, that the danger is not so great as it appears on a first view, because the quantity of commodities which enter into commerce, and which require to be represented, increases with the number of representative signs. The price of grain, it is true, has tripled since the treasures of the new continent were poured into the Old. This rise, which was not felt till the middle of the 16th century, took place suddenly between 1570 and 1595, when the silver of Potosi, Porco, Tasco, Zacatecas, and Pachuca, began to flow throughout all parts of Europe. But between that memorable period in the history of commerce and 1666, the discovery of the mines of America, produced its whole effect on the value of money. The price of

grain has not in reality risen to the present day; and if the contrary has been advanced by several authors, it is from their having confounded the nominal value of coin with the true proportion between money and commodities.

Whatever opinion may be adopted as to the future effects of the accumulation of the representative signs, if we consider the people of New Spain under the relation of their commercial connections with Europe, it cannot be denied that in the present state of things, the abundance of the precious metals has a powerful influence on the national prosperity. It is from this abundance that America is enabled to pay in specie the produce of foreign industry, and to share in the enjoyments of the most civilized nations of the Old continent. Notwithstanding this real advantage, it is to be sincerely wished that the Mexicans, enlightened as to their true interest, may recollect, that the only capital of which the value increases with time, consists in the produce of agriculture, and that nominal wealth becomes illusory whenever a nation does not possess those raw materials which serve for the subsistence of man, or as employment for his industry.—*Political Essay*, vol. iii. p. 452-454. [Black's Transl.]

We have endeavored in the present chapter to illustrate and prove, as far as the subject admits of proof, several important matters, the heads of which we shall now briefly recapitulate:

In the first place, we have shown that the absolute and relative quantities of the precious metals bear no necessary relation to each other; or, in other words, that a large increase or diminution in the annual supply of one or the other, even for some time, affects only in a comparatively small degree their relative value.

In the next place, that even when the quantity of the precious metals in Europe, was enormously less than at present—probably not more than one-tenth part—the increase that took place on the discovery of America, amounting ultimately to the extent of tripling the amount of money given for the absolute necessities of life (corn and meat,) only at one period perceptibly altered the value of money; producing its effect for the most part so gradually as not to interfere with the ordinary operations of commerce.

Thirdly, it appears that even should there be a very much greater increase in the total quantity of gold supplied than has ever yet taken place—as for example, if the quantity should be doubled for several years to come, yet this large increase must now be made to act upon so very large a capital stock already accumulated, as not to be likely to produce any immediate effect.

It also seems, that whatever the supplies of the precious metals have been, only a part, and even a very small part, has, at any time, entered into the circulation of Europe. It would appear that a certain absolute quantity is needed, to restore the loss by wearing and hoarding in coined money, and that this and the additional quantity called for by the increase of commerce to represent additional values, was all that really came into the market, so far as the circulation was concerned. The rest has been found useful in manufactures, and for plate and jewels, or has been taken by other countries, where it has perhaps been hoarded, and is thus lost sight of. Very little effect seems to have been produced by the enormous fluctuations that have from time to time taken place in the annual supplies of gold and silver, or either of them.

Judging by the supplies which have been introduced within the last few years from Siberia, and the effect hitherto, it is clear that the fears of those who anticipate a rapid and considerable change in the market

values of gold and silver are unreasonable and unfounded. At the same time it ought not to be forgotten, that the causes formerly in operation, tending to carry away large quantities of these metals into the East, have been gradually ceasing to act for a long time, and that we now depend, and have been for some time depending, on the actual demand for them in the arts, and the increased capital expended in the luxuries of gold and silver plate: (including under this head watches and jewelry.) The accumulations of the precious metals in the houses of the middle and upper classes cannot by any possibility be estimated; but that the stock of such luxuries rapidly increases with the increasing wealth pouring into the country, is certain from many other causes besides the total disappearance of so large a quantity. The steadiness in the price of the metals themselves, not only where their value may be considered as regulated by law, but also in countries where they are more openly marketable at prices regulated almost entirely by the demand, is additional proof of the truth of this position.

It may be observed that we have not estimated any particular quantity as likely to be introduced annually from California. What evidence there is on this subject we shall consider in the next chapter; but it is very small in amount, and of very little value. That all estimates hitherto made are hypothetical, there cannot be the smallest doubt, and we believe that nothing like the quantities assumed will be obtained, at least for some time, even if the quantity of auriferous alluvium is as large, and the produce as rich as is expected. [The last accounts from America (Jan. 23) state that as much as 100,000 dollars' worth per month was then *supposed to be* the rate of supply. We may safely refer a large proportion of this to exaggeration.]

If however we are mistaken, and if the large quantity of 100,000 lbs. weight avoirdupois, of standard gold per annum (or the value of about £5,500,000 sterling at present prices) should by any possibility be raised from these alluvial sands, which as far as they are at present known to be auriferous, are confined to a few small streams and an area certainly of a few hundred square miles of country, the effect produced would be after all only that of an average addition of less than one per cent. per annum, calculated upon the whole stock of gold existing in the world. We may venture to assert, without much fear of contradiction, that the additional quantity would be to a large extent absorbed and taken out of circulation very rapidly, and that what remained would not for many years tell upon the coinage so far as to affect the standard values of gold and silver in Great Britain.

By the time that this change begins to be felt, it is quite certain that the alluvial deposits, if so rapidly worked, must be showing symptoms of exhaustion, for such deposits are neither inexhaustible, nor are they rapidly recruited; and the mines that succeed, vaunted as they now are, will be found to resemble other mining operations, and can by no means be expected to yield continuously large supplies without great labor, risk and expense.

In point of fact, there is no reason whatever to fear that the quantity of the precious metals, or either of them, will multiply greatly beyond the demand, or that they will become much deteriorated in value. On this

subject again we have the opinion of the author of the "Wealth of Nations" to back our own, and with one more quotation from his work, we shall close the present chapter.

The quantity of brass and iron annually brought from the mines to the market, is out of all proportion greater than that of gold and silver. We do not, however, upon this account imagine that those coarse metals are likely to multiply beyond the demand, or to become gradually cheaper and cheaper. Why should we imagine that the precious metals are likely to do so? The coarse metals indeed, though harder, are put to much harder uses, and as they are of less value, less care is employed in their preservation. The precious metals, however, are not necessarily immortal any more than they, but are liable too to be lost, wasted and consumed in a great variety of ways. The price of all metals, though liable to slow and gradual variations, varies less from year to year than that of almost any other part of the rude produce of land, and the price of the precious metals is even less liable to sudden variation than that of coarse ones. The durability of metals is the foundation of this extraordinary steadiness of price. The corn which was brought to market last year will be all, or almost all, consumed long before the end of the year. But some part of the iron which was brought from the mine two or three hundred years ago, may be still in use, and perhaps some part of the gold which was brought from it two or three thousand years ago. The different masses of corn which in different years must supply the consumption of the world, will always be nearly in proportion to the respective produce of those different years. But the proportion between the different masses of iron which may be used in two different years will be very little affected by any accidental difference in the produce of the iron mines of those two years, and the proportion between the masses of gold will be still less affected by any such difference in the produce of the gold mines. Though the produce of the greater part of metallic mines therefore varies perhaps still more from year to year than that of the greater part of corn-fields, those variations have not the same effect upon the price of the one species of commodities as upon that of the other.—*Smith's Wealth of Nations, book i. chap. xi.*

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## FOREIGN OPINIONS.

Opinions of the London and Paris press upon the probable changes which will be produced by the discovery of Gold in California.

From the London Times, February 22d.

The question whether a change in the relations of property is to take place from the discoveries in California still remains unsettled. For the past month or two anticipations of a social revolution have flitted before us, until they have come more or less to be entertained by the majority. There are still, however, a large number whose personal interests are involved, or who are indisposed to credit extraordinary events at any time, who resist the whole affair as an exaggeration. On the relative correctness of either party the accounts of yesterday will not throw much light, and we must therefore, perhaps, wait another fortnight for more definite means of judgment. One fact, however, to be strongly remarked is, that *all* the accounts, come through what channel they may, tell the same tale. Up to the present time not a single instance has been made known of any individual upon the spot, or in its neighborhood, whether at San Francisco or Monterey, having put forth a word of dissent or disappointment. This uniformity would be a striking



testimony of truth, even if every man in California were known to be unworthy of personal credit, or to have some strong motive for deception. As regards motive, moreover, it must be recollected that if the findings were not apparently inexhaustible, it would lie on the side of concealment.

Most persons, therefore, will admit that if great effects have not absolutely been shown to be inevitable, they are at all events to be regarded as extremely probable; and that it is consequently not premature, pending the arrival of more decisive news, to attempt to calculate the way in which they will be developed.

The one grand result is plain to every body. Debtors will be benefited and creditors will be the sufferers. All persons holding annuities, whether in the government funds, life interests, guaranteed railway shares, fixed ground rents, &c., or having any specified amount to receive at some future date, must be prepared to find that the payments thus to accrue to them will purchase fewer commodities in proportion to the change which may take place between the relative supply of commodities and of gold. The grantors of these annuities on the other hand, including the public as far as concerns the National Debt, and all persons under encumbrances, as well as those who may hold long leases, will proportionably be gainers. The problems to be solved arise out of the extent to which individual cases will be modified by their own peculiar circumstances, and also by the various compensations and adjustments which will be brought to bear on them by the simultaneous disturbances which are taking place in others. The complicated nature of these will employ and perplex all minds; and, as in every instance where novel conditions have suddenly arisen, the wisest and most rational calculations of what would result have been found in some points not only to be erroneous but absolutely directly opposite to what has finally happened, we may rely that nothing will be put forward at the present moment which will not years hence have to be largely corrected, when our speculations shall be tested by experience.

If the probable extent of the cause by which the changes which may be impending are to be wrought is sublime in its vagueness, and the question whether gold is henceforth to be freighted to us in ounces, pounds, or tons, is a matter upon which one guess would be as reasonable as another, almost as wholly are we in the dark as to the stock upon which the supply is to operate. £320,000,000 has been assumed to be the amount at present held in Europe and America, but nothing can be more loose than the estimate, and at the same time the quantity existing in plate, and other forms, can never be arrived at.

Passing then the vain question as to the force with which approaching events may come upon us, we must entirely limit our view to their direction.

As regards the public funds and the prices of various descriptions of property, it seems obvious that no alteration in price should result in the case of annuities of any description, because these annuities being payable in gold the price of the principal in gold must still bear the same relation to them. As far, therefore, as any direct action is concerned, consols should not be affected. If the value of gold were re-

duced one-half, the annuitant would find his £3 interest purchase only what he can now obtain for £1 10s., and if he were to sell his £100 stock at 94, he would also find the purchasing power of the product to be only £47. For the same reasons the rate of discount would remain unaffected. A man in business requiring £100 now, for which he pays 3 per cent., would then require £200 to exchange for the same amount of commodities, but although he would thus employ £200, and pay £6 for its use, the alteration would be merely nominal, as the figures 200 and 6 would then be but different symbols for a purchasing power, which is at present expressed by 100 and 3.

On the other hand, investments in real property, such as land, railways, houses, ships, canals, docks, bridges, mines, &c., would all assume a nominal value of twice their present amount. This would not be a real increase, but while the annuitant would absolutely lose half his income, the shareholder in these concerns would experience no such fate, but would remain precisely in his present position. Where the landlord, or the railway or canal company, &c., now charge £1 for lands let or goods conveyed, they would then charge £2, and would thus double the dividends to their shareholders, who in turn would find these nominally double dividends exactly equal to their present ones.

But although these things would result from a direct doubling of the supply of gold in the world, there are many modifying circumstances which must arise from the change being a gradual one. In the first place, gold being the standard in this country, an undue amount would be likely to be shipped here by parties who might permit it for some little time to lie in deposit, and as it would thus increase the circulation, without at the moment stimulating trade, its first effect would be on the funds. The amounts shipped also for returns in goods will create a sense of prosperity, which may act contagiously, and cause the funds to rise solely from sympathy. In this way they might, without true reason, go above par, and thus enable the government to make another reduction—from which, however, the holders of three-and-a-quarter per cents. would be exempt, the condition in their case being that they are not to be reduced to 3 per cent. till 1854, and that they are then to remain untouched till 1874.

On the opposite side, it must be taken into account, that many persons, alarmed at the ultimate prospect of the fundholder, may seek rapidly to change their investments to shares in companies based on real estate. Consols might thus be unwarrantably depressed, and shares as unwarrantably raised. Again, it is impossible to calculate how far a vague excitement may operate in inducing people to melt down articles of gold and to apply the proceeds to such investments, by which they would still further be sent beyond a rational price. In this way shares or land might come to be bought so much too high as compared with the funds that the quiet holder of the latter might after all be in the best position. One thing is certain, namely, that whichever way the public rush, the movement is sure to go too far, and that hence re-actions will occur such as to show those who do not stir at all that they have not suffered much by their supineness.

In estimating the various circumstances calculated to counteract the

Californian supply of gold, much stress has been laid on the additional quantity likely to be used in the arts, and also upon the less profitable mines being thrown out of operation. Neither of these considerations seem to deserve the weight that has been given to them. Indeed, it may be questioned if inferences should not be drawn of a character directly opposite. It would require a considerable fall in the value of gold to bring it into greatly increased use for domestic purposes, while on the other hand the least commencement of a decline might create a silly panic, which would not only bring hoards of plate upon the market, but would also cause persons to forbear from purchasing; while as regards the less productive mines, the immediate effect of the Californian competition will be to stimulate the use of improved arrangements, especially in the Ural and Siberia, by which much larger quantities may be obtained with the existing amount of labor. The avidity with which other traditional gold mines in Central America, Borneo, and elsewhere, will now be sought out, must also be considered.

There is, however, one element of the question which, as it will tend to cause the effect of the discovery to extend in a great degree to silver as well as to gold, will have an equalizing influence. On the continent, where gold and silver are equally a legal tender, silver has become the recognized medium of payment, because, having decreased in value as compared with gold since the standard was instituted, it is the most profitable mode for those who have debts to discharge. Let the supply of gold, however, prove sufficient to do away with the premium it now bears to silver, and from that moment gold will in these countries become the common standard, and the fall in value will thenceforth, from the use of one and the disuse of the other, be distributed to a considerable extent between the two metals.

There are also two other points of modification. If gold were reduced to half its value, then the paper circulation would descend as low as if at the present moment there were notes for £2 10s. This would tend to render specie less necessary and still further to decrease its value. On the other hand, the sovereign and the half-sovereign being only worth respectively 10s. and 5s., the use of gold for small coins would be increased.

Looking at the complicated interests which are liable to be affected, it need hardly excite surprise that propositions have already been put forth in England for an alteration in the standard, in order to prevent the threatened changes, it being urged that, without loss of time, silver should now be adopted. It may be feared that, apart from what must take place on the continent from the effect of a great supply of gold, neither silver nor any of the precious metals will henceforth be regarded as very changeless measures of value. Be this, however, as it may, there can be no shadow of a plea for attempting to alter all existing bargains, merely because the terms have turned out more favorable for the debtor than was expected. At the termination of the war the reverse was the case, but all contracts were then fulfilled to their strict letter, and the same justice must be meted now. Gold was selected as a standard, not as an unchangeable but as the least changeable of all commodities, and there can be but few who have not at

times speculated as to the possibility of a suddenly increased supply, such as had once already happened from the discovery of America, and which from unexpected causes was just as liable to happen again. The contingency has been always before us, and those who have overlooked it must not ask society to relieve them of its consequences. There is no reason to suppose if gold had become less abundant, which was quite within the range of probability, that creditors would then have called for a law to enable their unfortunate debtors to pay in silver or in any other different metal. In 1823, when such a result was anticipated from the revolutions in South America, nothing of the kind was heard of. Moreover, it is quite certain that if the debtors at the time when they made their contract had bound themselves to pay not merely in gold but in whatever metal might prove more valuable, in case gold should suddenly become cheaper, they would have been entitled to better terms than they ever obtained; and that, in the absence of such terms, it is plain the bargain was intended to be a literal one.

That, while the majority feel elated, a very large body of persons hear of each confirmatory account from California with a confused feeling of apprehension and dismay, is a fact to be admitted with pain, although, perhaps, if directly questioned, they would confess that this is scarcely the spirit in which the opening up of a new store of one of nature's most useful gifts should be met. For our own part, supposing it be confirmed, we shall be disposed to regard it as the commencement of an era which will be marked by a rapidity of commercial and maritime progress beyond any thing the world has yet seen, and to believe that no cases of disturbance of individual interests will arise which may not be more than compensated, even to these parties themselves, by the advantages which, from diminished taxation and extended trade, will be universally diffused.

From the Journal Des Debats.

The most remarkable of the day in the order of material facts, that which is most calculated to exercise a weighty influence on the economical interests of society, is unquestionably the discovery and the working of the auriferous districts of California. We have already examined that branch of the subject which refers to the metallic circulation. Let us now advert to another no less important. The gold mines of the Rocky Mountains, productive as they are shown to be to the seekers of gold, will not be—far from it—the only source of wealth available in the immense and fertile valley which extends over a space of 900 kilometers in length and 80 in breadth, between the Sierra-Nevada and the Californian coast. There is another source of wealth in that region about to be increased and extended, which will be more certain, more durable, and more worthy, too, of the efforts of human activity;—we allude to the commercial enterprises to which this event, so sudden and unforeseen, cannot fail to give an extraordinary impulse, in a country magnificently situated for maritime trade, with golden prospects, but which up to the present day has remained almost wholly unexplored by the mercantile navies of Europe.

By one of those admirable secrets which suddenly modify and regulate the destinies of nations, Providence has decreed that this country—a treasure lying dormant and lost in the hands of the indolent Mexicans—should be suddenly transferred to the hands of the laborious and indefatigable “Yankees.” The very day following that on which the Anglo-Saxon race plant their feet on that ancient Spanish possession, a source of gold—a very Pactolus, whose depths are unfathomable, and whose limits are enveloped in mystery—is the first fruit of the conquest. Here is a fund with which the United States will be able to defray the expenses of the Mexican war a thousand times over. Now, is this an insulated and barren fact? Certainly not. This country is no doubt about to undergo as rapid a transformation as the forests and primitive prairies of Illinois and Indiana underwent a few years ago. A zealous, active, and enterprising people are hastening thither from all parts—the *placero* is already covered with colonies of emigrants, who are filling the valley of San Francisco with tents, camps, and forts, which will speedily become villages, towns, and cities. Enterprising Americans have traced the streets of a new city at San Francisco and commenced the erection of some houses. Hotels are being built, schools will follow, the chapel will soon appear, and the Exchange will close the procession. From the disorder at present occasioned by the gold fever—the *auri sacra fames*—will gradually issue, under the organizing influence of the American government, a regular order of things—the foundation of the family, and the establishment of the principles of association and property; business will be carried on; the working of the mines will require the aid of mechanical science, if indeed such be required for a labor which consists in raking the earth with a pickaxe; and labor, insensibly passing from the extraction of gold to the cultivation of the earth and the raising of agricultural produce, a still more valuable source of wealth—a new state will arise from the soil which but yesterday was a depopulated desert.

If we examine the map of the western hemisphere, we shall find that of all the countries of the two Americas, the district of California is that which by its projection into the Pacific most nearly approaches the numerous group of islands with which that ocean is scattered—important depots of the great whale fisheries, and the trade of China, Japan, the Philippines, and Oceania. Let us, then, admit—what is more than probable at present—that the American Union has its eye and its hand on Mexico; let us admit that the cutting of the Isthmus of Panama has ceased to be a mere scientific theory, and is about to be realized, and some idea may be conceived of the immense importance of such ports as Monterey and San Francisco to the trade of the two worlds in the hands of the Americans. It is evident that navigators, once put in possession of the passage in question, will, instead of seeking in Chili, at Valparaiso—that is to say, at the extremity of South America, a resting place to which they are necessarily conducted by the passage round Cape Horn—will tend to concentrate a nearer shore, richer and in close proximity to the centre of America, the Gulf of Mexico, the sea of the Antilles, that is to say, the great seat of the American and European custom.

Monterey already carries on a certain trade; there arrived at that port, in the last half of 1847, 26 vessels; exclusive of 14 whalers of various kinds, and the total value of the operations effected in the port during the same year amounted to nearly five millions (of francs?). San Francisco, situate at the bottom of a bay 72 kilometers long by 19 broad, is one of the finest and safest harbors in the world. It received in 1848 18 three-masted vessels (of which 16 were American,) and 21 vessels from Canton and the Sandwich Islands.

The coast of Upper California seems, therefore, likely to become the theatre of great enterprises. We shall see a New York of the west start up there, and that at no distant period. But let us leave the future, and speak of the present.

Our conclusion is this:—that washing sand, digging rock, turning up the earth, and searching water-courses, is not, even now, the most certain means of making a fortune in California. Suddenly transplanted to that country, which has yet but very slight resources, the population is in want of everything. There is now open a market of consumption where trade is sure of finding perfectly solvent debtors. The importation, therefore, of articles of the first necessity cannot fail to be a source of enormous profit. To say nothing of articles of wearing apparel, tents, and working utensils, medicines will be required, besides powder and shot; and wine, wherewith to revive the spirits of the miners and to recruit their exhausted energies.

The Americans will most assuredly contrive to draw great profits from the Californian enterprise. Wait a little, and you will find that measures more or less restrictive will be adopted by the government of Washington. The treasury will levy a goodly tax on the ore produced, and all will not be gold that glitters. We repeat that commerce, by means of association, by engagements, by the aid of premiums to sailors and navigators, appears to us the most certain means of working the new source of wealth which Providence has just disclosed to an astonished world.

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From the London Times, Feb. 23.

The most interesting question connected with the present prosperity of the United States is, what effect will it have in causing a return to honor on the part of the defaulting communities of Mississippi, Florida, Arkansas, and Michigan. It is now more than ten years since the creditors of these States found themselves embarrassed or ruined by their misplaced confidence. In the crash which occasioned the default five other States also suspended. Three of these have since resumed, and, for the most part, in a manner to leave them free from stain; the fourth has made a compromise which, although not very creditable in itself, will now be faithfully adhered to, and the fifth (Illinois) gives ground for forbearance and hope by paying a portion of what is due from her, and by not denying her liability for the remainder. The indication afforded by this gradual progress is unmistakable. It was the sound feeling of the majority of the American people comprised in the non-defaulting States which irresistibly impelled the defaulters to make these efforts to re-



gain their standing in the Union, and with every instance of a return to good faith the force of public opinion must have become still more severe in its operation upon those that remain. When nine States, with an aggregate debt of \$114,000,000, were banded together, they formed a phalanx sufficiently powerful to comfort one another, and to resist for a time the example of the majority of the confederation. Now that the number is reduced to four, with a debt of not more than \$30,000,000, they occupy a very different position. The number of States in the Union is twenty-eight, with a total population of 22,000,000. Of this population, the proportion of the four repudiating States reaches only 800,000. It is not difficult to see that surrounded by such a majority, who are compromised by partnership with them, they must speedily become honest in self-defence.

But it is not on this ground that the best hopes of the creditors depend. There are abundant signs that in the ten years which elapsed a very decided change has occurred amongst the people even in the defaulting States. It is scarcely too much to believe that if the question of repudiation were now put for the first time, not a dozen individuals would be found to assent to it, or beyond this, that if each man by quietly contributing his quota henceforth could place the matter as if nothing had ever happened, there would be no further trouble of any kind. The difficulty is to get any one to agitate afresh so disagreeable a subject. Claims that have been dishonored for one-third of a generation may well be left for another week, month, or year, and so the affair goes on. A single bold politician in each instance might not only carry the point, but gain an enduring fame.

Under these circumstances, it is plainly the policy of the creditors to commence an active movement, and to ascertain distinctly from the executive of the several defaulting States the ground they are disposed to take. If the result of these applications should prove unfavorable, they should then lose no time in drawing forth by petitions, and by every other available method the advocacy of the most upright and energetic amongst those in each community who are capable of giving a direction to popular feeling. All the South American republics are now seeking to make arrangements with their creditors, and it would be disagreeable to find that if Spain does not soon stand alone in degradation, it will be because she can point to examples amongst some of the most flourishing governments of the Anglo-Saxon race.

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AMERICAN STOCKS IN LONDON.—American stocks have not been in such active demand for the last fortnight, but there has been no supply of several favorite securities. U. S. 6 pr. ct. Bonds have ruled at 106 a 106½; since the arrival of the last steamer they have been done at 105½, and we quote them 105 a 106. Alabama 54 a 56, and 60 a 62; Indiana State 5's, 52, buyers; Kentucky, 91 a 93, nominal; Louisiana, Union Bank, Bonds, 87 a 88, none for sale; Massachusetts, 103, none; Ohio, 96 offered for 1860 Stock, and none for sale. Sellers of Maryland at 84, of Pennsylvania at 76, and of New York at 95.

[*Barings' Circular*, 9 March, 1849.]



## NEW ORLEANS PUBLIC DEBT.

[The article annexed is understood to be from the pen of Mr. S. J. Peters, President of the City Bank of New Orleans, and an active member of the Second Municipality Council. With such able advocates, resumption will soon be brought about and maintained permanently by that city.]

*New Orleans and its Debt.*—In a letter addressed by Mr. George Peabody, an eminent American merchant and banker of London, to a gentleman of Baltimore, which letter is published in the papers of that city, we find the following paragraph:—

“The city of Baltimore comes in for her full share of the honor of resumption, and I think most justly, considering her own large debt and the promptness with which both the State and city taxes have been met. While mentioning this circumstance, I cannot refrain from pointing out how different is the course of New Orleans, which disregards its obligations and takes no efficient steps to redeem its fallen credit.

“Almost all the cities of the Union have municipal debts, and New Orleans alone is the defaulter, although the greatest waters of the Western world almost bring spontaneous wealth to the door of each of her citizens. Her bonds for several millions of dollars are held in Europe, and I daily hear such complaints as satisfy me that the patience of her creditors is nearly exhausted.”

Before commenting on the humiliating facts here set forth, it is proper to state that Mr. Peabody has, for a long time, interested himself in patriotic efforts to re-establish American credit, and we may say American character, on the other side of the Atlantic. His efforts, so far as the State of Maryland and the city of Baltimore are concerned, have been crowned with marked success. The Legislature of that State has recently adopted resolutions expressive of the gratitude of that commonwealth, for his signal services.

It was in a letter in which he alludes to the distinguished honor thus conferred on him, that the above extract is found.

We cannot believe that the people of New Orleans will much longer permit a reproach so humiliating to sully the fair fame of our Crescent City. We believe we may say, without fear of contradiction, that a more honorable community than this can nowhere be found. The punctuality and rectitude of our merchants are well known and appreciated; and we believe every class of our citizens are equally desirous to contribute by their honorable dealings with their fellow men, to that high character, without which, with all our abundant sources of wealth, we shall be poor indeed. That a community so composed, should be liable to such a charge as is found in the extract, is passing strange; and we deem it a duty to point out the cause of such a state of things, and then show how simple is the remedy. On the division of the city in 1836, into three municipalities, the debt of the old corporation was about \$3,000,000; and the assets, being in property, long mortgages resulting from sales of property, and bank stocks, were estimated at about \$2,000,000. These assets, by the acts of the 8th and 11th of May, 1836, were to constitute a sinking fund for the payment of the principal and interest of the debt; and the administration of said sinking fund was confided to six commissioners (two to be elected every

year by the council of each municipality) and the Mayor, who was made the President of the Board. Those laws also provided, that in case of any deficiency in any one year by which said sinking fund could not meet the payment of interest or principal, it should be the duty of the General Council to call upon the several municipalities to furnish their proportions, each one according to its annual revenue. During the first three or four years the available means of the sinking fund were found sufficient, and no call was made on the municipal councils. The disasters of those few years had, however, diminished the value of the assets of the fund about one-half, and had produced a corresponding falling off in its annual receipts; and it became necessary for the General Council to call on the several municipal corporations to contribute their "quota" to the sinking fund. This was done at a period when the same causes which had embarrassed the fund had placed two of the municipalities in a position which rendered it impossible for them to meet the call; and the commissioners therefore resolved that, under those circumstances, the bondholders being willing, orders on the municipalities, payable in one year, and bearing the same rate of interest as the bonds, should be given for the interest as it matured. This arrangement was at once acceded to by the creditors of the city, but evidently viewing it as a temporary arrangement, by which the municipalities would be facilitated in extricating themselves from their embarrassment. For some time, the notes thus given were punctually paid when due, but for some three or four years they have not been either by the first or third municipalities. The second municipality, we learn, has punctually met all calls made upon it by the commissioners of the sinking fund. Had the other two municipalities been equally punctual, it is probable no complaint would have been made, although, paying in notes due in one year, a public creditor who had the faith of the city pledged to him that he should receive cash, was not very creditable. Latterly, the public creditors have had to submit to very heavy discounts on the notes received from the first and third municipalities, particularly on those of the latter, and it is not surprising that they should prefer to hold on to their interest coupons, for which the three municipalities are bound *in solido*, rather than divide their security or submit to very heavy losses.

The remedy for all this is as simple as it is feasible. It is to make it the duty of the General Council of the city, every year, to lay a direct tax on all the real and personal property within the limits of the city to an amount sufficient to provide for the punctual payment of the interest and the principal of the city debt. A tax of \$3 per \$1,000 would suffice, and the municipal corporations which now provide for these payments, would be enabled to diminish their taxes to the same extent. So the proposed measure would create no additional burthen whatever on the tax-payers. The tax thus laid should be collected by the commissioners of the sinking fund, and they would of course collect specie or specie funds, while the tax collectors of the municipalities which have unpaid obligations past due, are obliged to receive such in lieu of money, thereby rendering it impossible for them to collect money.

We are well aware that the council of the second municipality has

repeatedly urged this plan, to rescue the credit of our city from the degradation which such a state of affairs has produced, on the public and on the Legislature. We are not ignorant of the fact that a project of a law embracing this plan, was a few years ago brought before the Legislature, was referred to the Orleans delegation, and was, *on their recommendation, laid on the table.* But we have abiding confidence in the honorable impulses of our citizens, we are persuaded that a knowledge of the facts we have laid before them, will induce such action as will relieve our Crescent City from the reproach and disgraceful distinction of being the only large city of the Union which "disregards its obligations" and violates its plighted faith.

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## THE GOLD REGIONS OF CALIFORNIA AND RUSSIA.

From the Charleston (S. C.) News.

We cannot concur in the conclusions of those who see foreshadowed in the auriferous sands of California the dislocation of all pecuniary engagements, the elevation of prices, and the other consequences which flow from a change in the value of gold as a measure of value. 1. We do not believe that the quantity produced will be so far beyond the annual average supply as to have any sensible effect on prices. 2 The history of the precious metals demonstrates this fact, that changes in their value have always been gradual. The discovery of the American mines did not work out the results by which that event was followed but in the most slowly progressive manner. No perceptible effect has been produced by the large quantity of gold that Russia has poured into the market within the last twenty-five years, amounting to 125,000,000 of dollars. No sensible change has even taken place from the addition that power has furnished from the Siberian mines in 1846 and '47, reaching the sum of 50,000,000 of dollars, while the supply from the United States has not replaced the waste from loss and abrasion. The annual demand for the precious metals is estimated at 50,000,000 of dollars, being  $\frac{1}{2}$  of 1 per cent. on the supposed value in existence of 2,000 millions of pounds sterling or 10,000 millions of dollars. Now, granting what is stated in the memorial from the citizens of California for the establishment in that territory of a branch mint, that \$5,500,000 in gold will be removed from the California mines in the year ending July 1, 1849, the produce of those mines must be doubled annually to equal one-fifth of the annual wants, whilst if we take their estimate of eight dollars as the average sum collected in gold by each man, per day, 3,000 persons being thus employed, it would require 20,000 persons to produce a sum in gold equal to the annual demand for the precious metals.

It may however be asserted that the facility of producing gold in California will effect a more rapid change than heretofore in its value, by altering the ratio between demand and supply. Let us examine this position. If gold costs so small an expenditure of human labor, in

other words is so cheaply produced as would tend towards a rapid, instead of a gradual depreciation of value, we must not overlook the opposite tendency of a limitation of the supply from the more dearly produced gold of other countries. Should the cost of producing an ounce of gold in the Ural mountains be five days' labor, and to extract an ounce of gold from the sands of California requires only one day's labor, it is evident that the producers of Russian and American gold could not meet on the same terms in the market. If the latter can afford to sell their gold, from the smaller expenses of labor, at \$10 per ounce, the former, to pay that expense, being obliged to sell their gold for \$16 per ounce, must be driven from the market. The effect would be to displace from its office as circulating medium a portion of Russian gold, which would be converted into plate and jewelry, and to check, if not supercede, the supply from the Russo-Asiatic mines. Gold produced from what are called vein mines would be supplanted by that which was the product of surface mines. It is not probable, then, taking into view the waste, loss and demand for purposes of manufacture, with the constantly increasing want for commercial uses, that there will be any but the most gradual decline in the value of gold, and slowly progressive elevation of prices.

But conceding that such a change is produced as to influence prices, it must affect them to a very limited extent, from the distribution over so wide a surface as embraces all commercial countries that have also made any progress in the arts of luxury. Values, whether in gold or commodities, tend to a level. For this reason we cannot join in the anticipation of such consequences as have been foretold from any increased supply of this metal. It has been affirmed that from a great rise of prices in the United States, they will be advantageous markets in which to sell. Our imports being consequently large, the customs duties will be greatly enhanced and the public debt rapidly liquidated.

From the fact that any increase, large or small, of the precious metals, must be attended by the diffusion over a wide space of the new supply, and such effect as a local and limited advance of prices is impossible. If it were impracticable to bring about a general distribution, and gold and silver were to accumulate in the United States, such a result would be inevitable, for a local rise of prices would, in that case, render our markets the best in which to make sales and the worst in which to effect purchases, precisely as would follow the local excess of any circulating medium that found no outlet in the general demand. The laws of trade, however, correct all that, and we should find the foreigner no more disposed to part with his goods for the same nominal sum in gold that had fallen considerably in its market value, unless prices correspondingly advanced, than the domestic dealer would exchange his commodities for a quantity of the same metal that would not command a quantity of other things or of labor than he could obtain by exchanging those commodities for silver. The final effect, therefore, of such an excess in the proportion of gold and the cheapening of its value as to make it sell for a smaller quantity of silver or commodities in general, would be the conversion of a larger portion into purposes of art and luxury. The result of this cheapening has

invariably been to enlarge the consumption for manufactures, while the value for mercantile uses has presented a certain steadiness.

The policy of keeping gold within the limits of the United States, by fixing on it the national stamp, and erecting mints all over the country, is the same in principle as that of the Spanish government, who prohibited the exportation of the precious metals, as if any artificial regulation could retain them beyond the demand for monetary and manufacturing purposes, and prevent their finding their level in the general markets of the world.

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From the London Morning Chronicle.

*Russian Gold.*

Among the voluminous mass of the parliamentary papers of last session will be found a single sheet, entitled, "A Return of the Quantity of Gold produced in the Empire of Russia." This return was furnished by Sir Edward Baynes, the English Consul at St. Petersburg, and was laid before the House of Commons in consequence of the wish expressed by that body in an address presented to her Majesty. It consists of two pages only—yet, light as it is, when compared with the mighty documents from the midst of which we have just drawn it forth, it contains startling facts, and is suggestive of weighty considerations. Our readers are probably aware that, previously to the discovery of America, Europe was comparatively poor in precious metals. They may not be equally cognizant of the fact, that the value of gold, as compared with silver, was not so great then as it is now. It has been stated that, in the three centuries which have elapsed since its discovery by Columbus, the New World has, till within the last few years, supplied yearly four times as much gold, and about twelve times as much silver, as the whole of Europe and Asiatic Russia together. The speedy consequence of such an influx of the precious metals into Europe was, as is well known, a great depreciation in their value, as compared with the value of all other articles of which the supply did not increase in like ratio. We find, for instance, that the prices of wheat and similar products were trebled between the years 1570 and 1630. Another, but less obvious consequence was, a considerable rise in the value of gold as compared with that of silver. At present, the values of equal weights of gold and silver are in the proportion of 15½ to 1, the total amount of silver in existence being, probably, to that of gold in about the proportion of 40 to 1. \* \* \* \* The gold mines of Russia have long been celebrated; but within the last few years the quantity of gold produced in that country has increased with a steadiness and rapidity which are unprecedented. In fact, the increased supply threatens, if it continues, to produce, in a modified degree, an effect similar to that which resulted from the vast influx of the precious metals which followed on the discovery of America. The return before us shows, that the quantity of gold produced in Russia is about four times what it was only ten years since; and the value of the produce reported to the government, in the year 1846, is estimated at nearly three millions and a half sterling. \* \* \* \* We shall not, there-

fore, be far wrong if we estimate the value of the gold produced in Russia at four millions sterling per annum, while the total value of gold and silver exported from America is considerably less than six millions, the greater part of that sum arising from the exports of silver. Nor is there reason to suppose that the increased supply is likely to fail. The produce of the Siberian mines has increased year by year, and it is said, moreover, that we may look for an increased supply from the Ural, the produce of which region has, for many years past, been stationary. Vast as is the accumulation of the precious metals already existing, a yearly increase to our store of gold, so much greater than that of former times, must make itself felt in depreciating the value of that metal, and in raising prices, as estimated in gold; although, no doubt, the extent of our already accumulated stock, will prevent any rise similar in extent to that which was witnessed at the close of the 16th century. We have said prices as estimated in gold, for a principal effect of the increased supply of gold will be to alter the relative value of gold and silver—in other words, to raise the price of silver, with us a mere article of commerce as estimated in gold, our standard of currency. This is exactly the converse of the change in the scale of metallic values, which, as we have already mentioned, followed on the discovery of America. With reference to the probable extent of such change in relative value, we may here remark, that it was formerly calculated that the quantity of gold produced in America was 1-46th of the silver produced; and that the gold produced in Europe and Asiatic Russia was 1-40th of the silver produced in the same regions. We see, therefore, that, on the discovery of America, the supply of *both* metals was greatly increased, though not exactly in the same proportions; whereas the enormous increase of gold, to which we now call attention, is not accompanied and balanced by any relative increase of silver, or by anything approaching thereto. We must, therefore, anticipate that the change in the relative value of gold and silver will be much more violent, than the former converse change to which we have alluded, and we may, consequently, expect to see gold and silver approximate more nearly than they did before the discovery of America. Till within a recent period a large portion of the precious metals produced by the New World used to be absorbed by the markets of the East. This is no longer the case. And the absence of such demand will tend to increase the effect produced by the augmented supply of gold. We must also remember that hoarding has in our own island been already exterminated by the banking system, which is actively at work, and must sooner or later produce a like result in other countries. Before the increased supply of gold, which we are now more especially considering, began, the annual supply of the precious metals was more than sufficient to replace the loss created by wear and tear. We may fairly infer that, in consequence of such annual surplus, the precious metals have always been steadily, but very gradually depreciating in value, the depreciation being checked by the application, from time to time, of gold and silver to new purposes of art and luxury. Such gradual depreciation of gold must, we repeat, be greatly accelerated by the enormously augmented supplies from Siberia. Speaking roundly, we

may say that the total annual supply of gold is doubled by the increased product of the Siberian mines, as it was formerly quintupled by the discovery of America. We shall not here speculate on the possible extent of the change which such an increased supply is calculated to produce in the relative value of gold and silver, nor on the inevitable effect of such a change on our currency and our funded debt.

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## AMERICAN STOCKS IN EUROPE.

LONDON, *January 26th*, 1849.

The best price for United States six per cents. in London on the 20th November was 98, dividend on; and on the 1st of January, it was 100, dividend off. Since then there has been a steady demand from the continent, which caused the price on Saturday, the 20th instant, to be 104; equivalent with exchange at 108, to 112½ in America. This rise is to be attributed to a demand for permanent investment, and a very limited supply. When the American Commissioners were here, they were very anxious to place the stock in the hands of only the most powerful houses; and the result has shewn the soundness of their judgment: for as I mentioned in my letter of 29th of September, this stock was really taken for investment. But there are other circumstances at work, to lift the prices of all descriptions of American Stocks. There is a feeling of kindness towards the States, to which from the date of the failure of the United States Bank until this present time we have been strangers; a feeling of genuine warmth, of respect for the institutions of our country; for the quietness with which Americans manage their internal differences, and above all for the untiring industry of our population. Another circumstance in our favor is the low price at which money can be obtained on first-rate bills; as low or even lower than *two per cent. per annum*. Now although the large houses who have contracted for this loan are above the suspicion of being likely to require even for the most temporary period the slightest advance to carry on their contracts, still the low value of money has its effects upon them, because it shews that the money placed in the United States six per cents. could not be employed elsewhere with the same security, and yet pay the same interest.

Another circumstance materially in our favor, is the fortunate discovery of the gold washings of California; for thus the eyes of all Europe are turned towards us. According to all analogy, grounded upon previous similar discoveries, the amount which may be raised during the next three years, will not exceed ten millions sterling (£10,000,000,) yet this will be more than sufficient to supply that vacuum in the basis of the currency, which has been so sensibly felt, both in Thread-needle Street and Wall Street. It will be sufficient to correct that constant ebb and flow of bullion, which for the last twenty years has so frequently deranged the business of merchants, and converted the most ordinary and regular transactions into little else than



were grumbling. Before long, the influence of a larger circulation of the precious metal will be felt, and as there will then be sufficient for both countries, the struggle to obtain it will cease, and prices no longer be influenced by the solvent or doubtful condition of the bullion vaults of either country. As it is now clear that the United States possesses within itself another source of reliance, it is not to be wondered at that the denizens of troubled Europe note the fact, and become eager purchasers of the Federal stock. The inhabitants of France and Germany have been induced to take United States six per cents., not only from their feeling of insecurity at home, but also because the principal German houses in London have endorsed the goodness of this stock, by recommending it strongly to all friends. One leading American broker sent five hundred circulars to the principal capitalists of this country and the rest of Europe. In many instances, the orders returned, were to buy the stock for the sake of its security, regardless of any slight variation of price.

MARYLAND STOCK has felt the influence of the rise of the Federals more than any other. Within the past fortnight, the price of the sterling 5 per cents. has steadily prospered, day by day, from 70 ex-dividend to 71, to 72, to 73 and 74; and the general opinion is, that it will not stop at a lower quotation than 80 per cent. It has, for the time, passed Pennsylvania, which has remained stationary at 72. There is a growing dislike to Pennsylvania, arising from those paltry relief notes in which the Keystone State thinks proper to pay her foreign creditors. (To her own citizens, it does not so much matter, as they pay them away at par for taxes). When Pennsylvania gets rid of this shin-plaster currency, she may hope to see her stock quoted higher than Maryland; but not before.

MASSACHUSETTS STOCK has been sold at 95 *a* 97, and there is none now offering at less than 99. This stock, a few months ago, was at par, but fell to 94, from the sudden appearance of several lots for immediate sale. Since then the stock has been gradually absorbed, and is likely to remain near par, unless the market is again depressed by a sudden and undue supply.

CALIFORNIA GOLD.—Even in the washing for gold, the Government of the United States can derive a benefit by taking note of the errors of the government of other countries. When gold was first discovered in the mountains of Arklow, in Ireland, about the year 1793, the English government sent immediately to that locality, a regiment of soldiers, by whose aid the peasantry were driven from the stream, and every grain of gold was as carefully guarded as the strong boxes of the bankers of Lombard Street, or the coined money in the Bank of England. Of course, the English Government intended the mines to be worked; and, therefore, commissioners were appointed, who, in their turn, named subordinates, and the spots known to contain the gold were thoroughly washed; but the soul of the enterprize was lost; the fever was extinguished; no longer did the individual gain of one lucky man become trumpeted forth, and induce twenty others to search for gold in every possible or probable spot; no longer, day by day, did a fresh set of adventurers supersede an old disgusted lot. The Government had "put an extinguisher" on the en-

terprize, and it went out. It is well known that those regions in all countries which are schistous and overlying granite, contain gold, and throughout the hills of the British Islands, this characteristic exists in a most remarkable degree; but between the Lords Commissioners of the woods and forests, who hope to get one-fourth of the gross gold; the ground landlord, who hopes to get some large portion; and the tenant in possession, who expects another portion; the luckless laborer at the washing may think himself fortunate if he gets, as a return for his labor, one-fourth of the produce; the remaining three-fourths being taken by the idlers. Washing for gold, like all other pursuits, is regulated by profit and loss—by supply and demand; and if those who contribute neither capital nor labor, will put in their claims for a portion of this “plunder,” to just an equivalent extent will the washings fall off.

The great “South American mining law” was conceived in the highest spirit of liberality and justice towards the community at large. If an adventurer found gold in a spot, not land of any private individual, he could register that place as being his own for all mining purposes, as long as he *himself* or those to whom he delegated his right to work continued to operate there; but if once the washing remained idle for a month, any one else was privileged to enter the same land and record his entry in the proper office, and then neither the former laborer nor any one else could dispossess him.

The quantity of land was fixed by a very simple rule, not requiring either the theodolite of the surveyor, or any trigonometrical survey; the party claiming the right to work was bound to give an accurate description of the exact spot in which he had driven a stake, and for forty paces in every direction he could prevent any intrusion. But the gold so raised was bound under heavy penalties to be taken to the mint, and was then mulcted of a trifling per centage.

If the American Government wish to aid in the California production of gold, the first great point is to secure to every man the results of his own industry, and for this purpose it will be requisite to send there, not only vessels of war *over-manned*, but also an efficient magistracy on whose decisions the gold washers can depend. There is no fear of Indians, or of any other disturbance requiring a portion of the regular army. Every washer can fight for himself, and if he has any confidence in the magistrates, will readily enrol himself to uphold the “mining laws,” if those laws are equitably constructed.

A mint for the exclusive coinage of gold, even if it be only pieces of \$2 50 each, would be the greatest benefit in the power of the Administration to bestow. It would nearly double the profits of every washer for gold, and cause a greater examination of the land than any other means which could be devised; because it would at once give to the washer the full value for a day's work. As it is at present, the store-keeper dare not give above three-fourths of its apparent value for gold, lest it should contain iron pyrites, or be wilfully adulterated with brass filings, or contain other impurities. All these would be set at rest immediately, and the gold at once assume its function as a medium of commerce. Should the transit of the stamping machine be found very difficult, a very great point will be obtained if the employées of the

mint are sent and instructed at once to limit themselves to smelting of each little lot of gold dust, and testing it by the touching needles, (the mint authorities in Philadelphia will know what I mean,) and after marking, or rather stamping on the little bar, its weight and probable fineness, delivering it to the owner.

This is the Brazilian method, and though very rough, still the merchants will venture to give a much better price for the gold thus certified than they would for the mere dust; because, being in the form of a bar, they cannot split it and thus lose half, neither can it work a hole in the paper and escape, nor can it be mixed with impurities.—*London Correspondent of the New York Courier and Enquirer.*

### CANAL BANK OF ALBANY.

Extracts from the Report of the Select Committee of the New York Senate, appointed to investigate the affairs of the Canal Bank.

In February, 1848, the Mechanics and Farmers Bank of Albany commenced re-discounting paper for the Canal Bank. The whole amount of these re-discounts, from that time up to and including 10th July, was \$626,426 11: of this sum \$340,000 was re-discounted in June. The amount paid the Mechanics and Farmers Bank for interest and discount, from January to the failure of the Canal Bank, was \$8,809 29: of this \$2,404 25 was paid in May; \$2,331 05 in June; and \$763 39 in July. The Canal Bank did not owe the Mechanics and Farmers Bank any thing at the time of its failure, and for some time previous. These transactions were carried on between the financial officers of the two banks, without the knowledge of most of the directors of the Canal Bank.

It appears to your committee evident, that a bank requiring such large assistance, and in a way so pernicious to its prosperity, must fail; and that it was an intimation of its insolvency not to be mistaken. It is very clear, that the nominal existence of the Canal Bank was preserved by these re-discounts for a few weeks or months.

The Legislature has endeavored to limit the power to dispose of the effects of a bank, by declaring that no conveyance, assignment or transfer, not authorized by a previous resolution of its board of directors, shall be made by any such corporation, of any of its real estate, or of any of its effects, "exceeding the value of one thousand dollars," except in certain cases as specified in sec. 8, part 1, chapter 18, title 2d of the Revised Statutes. As it may happen that some of the re-discounts for the Canal Bank may be drawn in question in the legal tribunals, the committee forbear the expression of any opinion on that point, but deem it proper to say, they believe they were highly injurious to the creditors of the Canal Bank in this instance. The officers of the Mechanics and Farmers Bank were in possession of information not accessible to the banks in the interior of the State, or to the depositors;

and while it escapes without loss, the State, and many banking institutions and individuals suffer severely. There is no evidence to warrant the conclusion that the Mechanics and Farmers Bank, or any person connected with it, received any funds or property of the Canal Bank; other than through these discounts and the exchanges.

In the course of their examination the committee have been greatly aided by Andrew White, Esq., the receiver of the Canal Bank; among other statements, they are indebted to him for one showing the amount of debts due the bank which have been compromised, the amount paid or secured, and the authority of the receiver for making these compromises. It has already been stated, that one of the directors arranged a large portion (\$113,744 04) of his indebtedness by securing \$20,000, and postponing the payment of the balance without security until 1851, 1852 and 1853, with interest after 1849, at the rate of 5 per centum per annum; this arrangement left him in possession of his property, and liable for the payment as above stated, (with a rebate of some interest,) as well as for the H. Dwight check for \$50,000, a full history of which will be found in the testimony of Mr. Dwight, the receiver, and Mr. Croswell. The consideration of this compromise as well as the one made of the debt of the teller, (J. L. Crew,) has led to the opinion on the part of your committee, that some legislation is necessary to exclude directors and officers of banks whose liabilities have occurred by a violation of a trust, and the laws of the State, from the benefits of a compromise, without the assent of the persons whose property has been appropriated. The committee also deem it necessary to provide for a hearing of all parties interested in such compromise.

Fraudulent bankruptcy of institutions, created and sanctioned by law, should be punished with unremitting severity; especially so, when the insolvency involves a breach of faith to the public, in the disposal and appropriation of funds in a manner forbidden by positive statutes. It would be a calamity to acknowledge that our laws may be violated with impunity, or that the rights of any kind of property are so badly secured or feebly protected, that they may be invaded and destroyed without redress or punishment.

Legislators have attempted to guard the bill-holders, creditors and stockholders, by many wholesome restraints upon the managers of banks. Their existence has become closely interwoven with the affairs of the government and the business of the community; all the banking institutions of the State are compelled by law to redeem their notes in New York or Albany. The banks in those cities are authorized to act as agents for the others, and thus become bound by considerations of the highest importance, to conduct their business with skill and fidelity. A general misuse or misapplication of funds in New York or Albany, would lead to serious consequences, and destroy both public and private credit.

The Canal Bank had engaged in this undertaking, and was at the time of its failure a debtor to other banks \$464,505 35, a sum which it virtually promised to hold in readiness to pay on demand; it was also a depository of the funds of the State. Instead of attempting to guard the funds of their confiding creditors, the bank was evidently car-

ried on for months if not years when insolvent; constantly consuming the means entrusted to its care, and as a last resort the re-discount of its paper, and a forced circulation of its bills was adopted, to prolong its hours of existence. No effort appears to have been made to restore the money which had been illegally taken; its books were falsified, its cashier and principal clerks defaulters, and an amount nearly equal to one-third of its capital consisted of over-drafts.

To say that the managers of the bank violated their duty to the public, to the creditors and stockholders, is but to repeat what is apparent throughout the testimony we have taken; nor has the committee been able to find any excuse or palliation that will enable them to say, that the ruin of the bank was not on the part of some of the managers a deliberate contrivance, a premeditated design.

This investigation has been most painful to the committee, not on account of its labor, but from the disclosures which have been made. All the directors of the bank appear to have been persons of good character, and some of them enjoying the confidence of the community beyond the lot of ordinary men. This was particularly the case of the president; his position in society, his character, his wealth, certainly pointed him out as a proper person to fill the station he held. His appointment was intended to, and no doubt did inspire confidence, and was well calculated to repel any idea or suspicion of the ruinous course the other officers of the bank were pursuing; although the first irregularities in the bank occurred before his directorship, yet the principal abstractions were made while he was president. It was clearly his duty to watch and guard the interests of the bank; he should have caused its by-laws to be observed, examinations to be made, and to have ascertained the correctness of the sworn statements. Had he done this, the scheme of plunder would have been arrested for a time at least, even though he shared the fate of Messrs. Rathbone and Bleecker, who made the effort and failed. How Mr. Paige can justify the part he took, in cancelling the cashier's bond in June, 1848, the committee are unable to perceive; but two other directors appear to have been present, and one of them was Theodore Olcott; the court, too, having decided that neither Joy nor Olcott were legal directors, it will probably turn out that this transaction was unauthorized and illegal, in which case the receiver will be able to collect the bond.

The committee has not attempted to recapitulate the voluminous evidence taken, nor will they tax the patience of the Senate by alluding in detail to the many irregularities which have appeared. When the evidence shall be laid before the Senate, if any part of it can be found to soften or palliate the gross wrong which characterizes it, or any circumstances will warrant more lenient conclusions than are here expressed, it will afford your committee the sincerest gratification. Our endeavor has been to discharge an onerous and unpleasant duty, and not to go beyond, nor turn to the right hand, or left. The Senate commanded us to investigate the affairs of the Canal Bank, and ascertain the causes of its failure, which we have endeavored to do without fear, without favor, without partiality, to the best of our ability. A more disagreeable duty could hardly be imposed; it has necessarily compelled us to

speak of the conduct of individuals, so intimately connected with the affairs of the bank, so mixed up with its fraudulent operations, that there was no means of avoiding it, unless we shrunk from obligations which the enquiry imposed upon us. There are private feelings and interests connected with this subject to which we should have been happy to listen, but for a paramount sense of public duty. Those feelings and interests are temporary, and will be forgotten; while our action becomes a portion of the permanent records of the Senate, to which we cannot, to which we dare not put our hand, if it attempted, with the evidence before us, to justify a most gross breach of public and private trusts, to screen the guilty from censure, or palliate in the least degree the negligence which has been productive of so much disaster.

The committee, in fulfilment of the requirements of the resolution under which they were organized, further report, that the circulating notes of the Canal Bank, being already provided for, the assets of the bank proving sufficient for their redemption, no call upon the Safety Fund is necessary for the purposes to which, by law, such fund is designated. And further, that in reference to so much of said resolution as institutes an inquiry as to the personal liability of stockholders in monied corporations, which is to take effect after 1st January, 1850, the standing committee of the Senate on banks and insurance companies, having already reported and introduced a bill on said subject, no action on the part of your committee is necessary.

D. A. BOKEE, JNO. G. FLOYD, WILLIAM I. CORNWELL, *Committee.*

### BANK ITEMS.

**EXCHANGE BANK, HARTFORD.**—H. L. Birwell, Esq., has been elected Cashier of the Exchange Bank at Hartford, Connecticut, in place of Elisha Colt, Esq., now chosen President of the same institution.

**CITY BANK OF NEW ORLEANS.**—NOTICE, *New York, 12 March.*—The stockholders of the City Bank of New Orleans are hereby requested to surrender their certificates of stock issued by the New York Agency, in order to have their stock placed on the books of the City Bank in New Orleans, preparatory to the final liquidation of the said Bank. By order. D. EBBETTS, *Cashier, Agent.*

**THE BANK OF FRANCE.**—The Bank has resumed payment in specie on its notes under 500 francs. Its published accounts do not, however, furnish any account of the increase of trade in Paris. The decrease of commercial bills is enormous, the whole amount remaining in the portfolio of the institution being but fifty-five millions—not more than one-third the amount usually on hand at this period of the year. The stock of bullion, however, still goes on increasing, and it is currently reported that the bank intends shortly to resume payment of all its notes in specie.—*Paris Correspondent of N. Y. Courier, 25 January.*

**BANK OF KENTUCKY.**—Yesterday morning at the opening of the Supreme Court, Judge Rogers stated that it would not be justice to the parties in the case of the Kentucky Bank *vs.* the Schuylkill Bank, to delay the entry of the decision any longer. The preparation of the opinion had been entrusted to Chief Justice Gibson, but had been delayed by his sickness, the court would therefore now enter the decree affirming the decision of the Common Pleas for the reasons given by Judge King, but a more lengthy opinion would be delivered during the term. The following is the decree:

"And now, viz: this 7th March, 1849, after hearing the counsel, their proofs and allegations, it is ordered, adjudged and decreed, that the decree of the Court of Common Pleas for the county of Philadelphia, sitting in equity in the above case, be affirmed with costs. The court reserves the right of the commonwealth to any legal claim they may have against the Schuylkill Bank for a tax, taxes or dividends."

The decree of the Court of Common Pleas was, that the Schuylkill Bank pay the Kentucky Bank one million one hundred and eighty-four thousand seven hundred and thirty-eight dollars as indemnity, by reason of the fraudulent issue by the Schuylkill Bank of thirteen thousand one hundred and eighty-five shares of the stock of the Kentucky Bank. This we believe settles this important matter. It has been thought by some that there might be an appeal to the Supreme Court of the United States—but legal gentlemen generally are of contrary opinion.—*Phil. Ledger*, 8 March.

**AGRICULTURAL BANK, PITTSFIELD, MASS.**—It is just *thirty* years since the Agricultural Bank in Pittsfield, (Mass.) went into operation. For the same period of thirty years the present highly respected incumbent, Ezekiel R. Colt, Esq., has been its only Cashier. Besides making dividends averaging eight per cent. per annum for the whole period of its existence, it has accumulated a surplus of *thirty* thousand dollars. It would be difficult to produce better evidence of the good management of such an institution than the facts above stated, and of the worthiness of the persons with whom it has had to deal.

The Hon. Nathan Appleton was one of its founders.

**SARATOGA SPRINGS BANK.**—John S. Leake, Esq., for many years book-keeper in the New York State Bank, Albany, has been chosen Cashier of the Saratoga Springs Bank.

**FARMERS' BANK AT WANTAGE.**—The capital stock of the Farmers' Bank at Wantage, Sussex county, New Jersey, chartered at the late session of the Legislature, was subscribed on Monday of last week, the first day the books were opened, and \$20,000 over the amount were subscribed during the three days the act required the commissioners to keep them open. The subscriptions are by seventy-three individuals, the largest single subscription being \$4,000; so that the stock will be distributed among the farmers and tradesmen of the county. The amount subscribed must be reduced by the commissioners to \$50,000—the limit of the charter.—*Newark Daily Advertiser*, 19 March.

**MASSACHUSETTS BANKS.**—The following banks have petitioned the Legislature for renewals of their charters:

Eagle Bank, Boston,	Blackstone Bank,
City Bank, "	Barnstable Bank,
Granite, "	Quincy Stone Bank,
Columbian, "	Wareham Bank,
Washington, "	Waltham Bank,
Shoe and Leather Dealers,	Hingham Bank,
Boylston Bank, Boston,	Falmouth Bank,
Union Bank, Weymouth,	Haverhill Bank,
Merchants' Bank, New Bedford,	Cambridge Bank,
Mechanics, "	Central Bank, Worcester,
Bedford Commercial, "	Marblehead Bank,
Marine Bank, "	Commercial Bank, Salem,
Rail Road Bank, Lowell,	Salem Bank, "
Lowell Bank, "	Mercantile Bank, "
Lynn Mechanics' Bank,	Gloucester Bank, "

**PACIFIC BANK, BROOKLYN.**—This is a new institution for the convenience of South Brooklyn, the others being located in or near Fulton street, the north part of the city. The Pacific Bank will shortly commence operations in Atlantic street.

**BANKS OF PENNSYLVANIA.**—The charters of the following banks have been extended:

Commercial Bank of Pennsylvania,	Chambersburg Bank,
Bank of the Northern Liberties,	Montgomery County Bank,
Farmers and Mechanics' Bank,	



## MISCELLANEOUS.

**OPERATIONS OF THE MINT.**—The following statement embraces the coinage at the U. S. Mint and Branches during the year 1848 :

	Gold.	Silver.	Copper.
Philadelphia, . . .	\$2,780,980	420,050	64,158
New Orleans, . . .	358,500	1,620,000	.....
Charlotte, N. C., . .	364,330	.....	.....
Dahlouega, Ga., . . .	271,752 50	.....	.....
Total for 1848, . . .	\$3,775,512 50	2,040,050	64,158

The deposits at the four mints for coinage during the year were, in gold \$3,413,992; and in silver \$2,126,506.

**NEW COINAGE OF GOLD DOLLARS AND DOUBLE EAGLES.**—The following is the bill which passed the House of Representatives on the 20th February, and was confirmed by the Senate on the last day of its session. It is now a law :

**SECTION 1.** That it shall be lawful henceforward to make at the mint and its branches, twenty dollar gold coins of the weight of five hundred and sixteen grains, and gold dollar coins of the weight of twenty-five grains and eight-tenths, which coins shall be legal tenders of payment according to their nominal values.

**SEC. 2.** That the above mentioned coins shall be made, in all respect, in conformity with the existing laws regulating the coinage at the mint, except that on the reverse of the gold dollar the figure of the eagle shall be omitted.

**SEC. 3.** That in adjusting the weights of gold coins henceforth, the following deviations from the standard weight shall be not exceeded in any of the single pieces, namely: In the double eagle, the eagle, and half eagle, one-half of a grain, and in the quarter eagle and gold dollar, one-quarter of a grain; and then in weighing a large number of pieces together, when delivered from the chief coiner to the treasurer, and from the treasurer to the depositors, the deviations from the standard weight shall not exceed three pennyweights in one thousand double eagles, and one and a half pennyweights in one thousand half eagles, one pennyweight in one thousand quarter eagles, and one-half of a pennyweight in one thousand gold dollars.

**SEC. 4.** That so much of this act as regards the coinage of twenty dollar and one dollar gold pieces, shall continue in force until the fourth day of March, eighteen hundred and fifty-one, and no longer.

**IMPORTANT LAW CASE.**—Before the Fifth District Court, New Orleans, Judge Buchanan.—The great land suit of the heirs of Dubreuil Villars *vs.* Jos. M. Kennedy and others, being for the block of ground on which the U. S. Branch Mint of this city is situated, was yesterday decided in favor of the defendants. The United States Government is the real party defendant in this action. The suit involved the title to a portion of the Third and First Municipalities, property worth perhaps over \$15,000,000. This was made a test suit. The defendants, Kennedy and others, officers in the U. S. Branch Mint at New Orleans, were represented by Levi Pierce and T. J. Durant, U. S. District Attorney, who called the First Municipality in warranty to defend the title of the United States; the lot of ground in controversy having been donated by the First Municipality for the purpose of building upon it the mint. The First Municipality was represented by C. Roselius and Robert Preux. The heirs of Villars were represented by the Hon. Henry Clay, W. C. Micou, G. Schmidt, Mr. J. Judah, of Indiana, and J. P. Wilde, who represented his deceased father, the Hon. R. H. Wilde, who in his life-time took an important part in the suit. The decision occupies over forty pages, which renders it impossible for us to publish it at large.—*N. O. Picayune, 13 March.*

**INTEREST LAWS OF ILLINOIS.**—An Act to amend the Interest Laws of the State of Illinois :

**SECTION 1.** Be it enacted by the people of the State of Illinois, represented in the General Assembly, That from and after the passage of this act, money may be loaned, at such rate of interest, not exceeding ten per cent. per annum on each hundred dollars, as the parties may agree upon, any thing in the laws of this State to the contrary notwithstanding.

**SEC. 2.** In the trial of any action brought upon a promissory note, or writing obligatory in any of the courts of this State, wherein is reserved a higher rate of

interest than six per cent. per annum, it shall be lawful for the defendant to set up and plead, as a defence in any such suit, that the consideration of said note or writing obligatory, upon which said suit is brought, was not "money loaned," upon which issue it shall be lawful for the creditor, being alive, to become a witness, and his testimony shall be received as evidence; and the creditor, if he shall offer his testimony, shall be received as a witness, together with any other legal evidence that may be introduced by either party; and if upon the trial of the said issue it shall be found that the said note or writing obligatory, upon which such suit is brought, was not given for money loaned, then the said court shall render judgment for the principal sum in the promissory note or writing obligatory and six per cent. interest thereon.

Approved, January 30, 1849.

**MORTGAGES IN LOUISIANA.**—By the law of Louisiana, a mortgage must be recorded once every ten years; if this is neglected the mortgage loses its rank, and although in certain cases it may be recorded anew, even after the lapse of ten years, yet, in this case, intervening mortgages will have a preference over it, the lien only taking effect from the day of the last recording. The payment of interest within ten years, would in no wise interfere to cure this effect, and give life to the lien. Such an act would operate a bar of proscription as to the *debt* but not as to the *mortgage*; a distinction which is taken here, but not in Common Law States, and the effect of which is to deny to the creditor the benefit of the thing mortgaged and to turn him over to an ordinary action of debt.

**SMALL NOTE LAW IN MISSOURI.**—The undersigned, Private Bankers of the city of St. Louis, give notice, that from and after this date, we will only receive and pay out at our counters, specie, and bank notes of the denomination of ten dollars and upwards. We have been indicted by the Grand Jury of this county, on a charge, preferred in the indictment, of violating the statute of this State commonly called the Small Note Law. *Here* we neither affirm nor deny the truth of this charge: we shall severally combat that issue before the legal tribunal to which we are summoned. Whether patriotism or cupidity was the governing motive in furnishing the jury with the information leading to these indictments, we leave the public to determine. W. Nisbet & Co.; D. T. Wheeler & Co.; Loker, Renick & Co.; Edw'd P. Tesson; Presbury & Co.; E. W. Clark & Bros.; Page & Bacon; Budd, Park & Co.; Jno. J. Anderson & Co.; Mandlebaum, Block & Co.; George E. H. Gray & Co.

**INTERNAL IMPROVEMENTS IN VIRGINIA.**—A wider system of internal improvements is now contemplated by the Legislature of Virginia. At its last session, several important acts were passed upon this subject; and it is to be hoped that the investments of or subscriptions by the Commonwealth, will hereafter be more productive than hitherto. Virginia holds the following property in the public works, &c.

Bank Stocks, . . . .	\$4,217,900	Loans to Corporations, . .	\$369,000
Old James River Co., .	243,000	Loans to Colleges, . . . .	50,000
Stocks in Rail Roads, .	1,172,000	Rail Road dividends (arrears)	71,000
Stocks in Canal Cos., .	361,000	Stocks in Turnpike Cos., .	98,000

The entire productive and unproductive resources of the Commonwealth are upwards of eleven millions of dollars. The following abstract of the acts of the late session is from the Richmond Times:

The bill for the Virginia and Tennessee railroad makes a State subscription of three-fifths of the capital of three millions, or \$1,800,000.

The bill for the Blue Ridge railroad appropriates from the treasury \$100,000 annually, for three years, for the construction of a railroad and tunnel from the eastern base of the Blue Ridge, at Rockfish Gap, to Waynesborough, in Augusta county, and further subscribes three-fifths of \$150,000, or 90,000, for the extension of the railroad to Staunton.

The bill for the Alexandria and Orange railroad subscribes an additional fifth viz: \$180,000, for the construction of that work; a subscription of two-fifths having been already authorized by an act of the last Legislature.

Another bill authorizes the State's guaranty to the bonds of the James River and Kanawha Company to the amount of \$350,000 for completing the connexion between the canal and tidewater, and of \$150,000 for completing the Rivanna and South Side connexions.

Another bill appropriates \$60,000 for macadamizing a portion of the Staunton and Parkersburg road.

The bills above enumerated authorize an aggregate appropriation of \$2,920,000, and besides these leading measures, a large number of appropriations have been made for different turnpikes, chiefly in the western part of the State.

Another bill has passed, which transfers the whole of the State's stock in the Petersburg and Roanoke railroad, amounting to \$323,500, to the town of Petersburg, for the purpose of enabling it to construct a railroad to some point on the Richmond and Danville railroad, at or near Burkesville, in Prince Edward county; in which event the State will be entitled to an equivalent amount of stock in the new company.

Amongst the bills which have passed the House of Delegates within the last few days, are a bill appropriating \$90,000 for the improvement of the Guyandotte River; a bill guarantying the bonds of the Chesapeake and Ohio Canal Company to the amount of \$200,000; a bill subscribing three-fifths of \$60,000 for a macadamized road from Buchanan to Staunton; and a bill subscribing three-fifths of the capital for a railroad from Buchanan to the Roanoke River.

The Senate has rejected two important bills, which were passed by the House; one making a three-fifths subscription of \$300,000 to the Fredericksburg and Blue Ridge railroad; the other a three-fifths subscription of \$900,000 to the Alexandria and Valley (Manasseseh's Gap) railroad.

**THE LAW OF SIGHT BILLS.**—At the late session of the Legislature of Indiana, the following law was passed:

*"Be it enacted by the General Assembly of the State of Indiana, That three days grace be, and the same is hereby allowed on all bills of exchange payable in this State, as well sight as time bills."* Approved January, 1849.

**LOUISIANA STATE BANK.**—Before the Second District Court of New Orleans, Judge Cannon presiding.

*The case of the Louisiana State Bank.*—This case was taken up yesterday morning, according to previous notice.

Mr. Pierce, on the part of the plaintiffs, stated that he desired to compromise with the opposite attorneys in regard to the witnesses summoned, of which there were already some 260. He would have the court appoint experts according to article 452 of the Code of Practice, to examine the witnesses out side. The only questions to be asked the witnesses were; are you a minor, a married woman or single, or a man of age, and were you in town on the day of the late election of the President and Directors of the bank, and did you vote yourself or by proxy? He contended that if the examination took place in court it would occupy some ten days.

Messrs. Grymes and Hunt were opposed to this proposition, and argued the point at length.

The court said it must find a way to shorten the proceedings, and read a section of the charter of the bank in regard to the election, which it was necessary should appear by the certificate of the proper officers. Now had the certificate been given, he asked, and he was answered that it had. His honor then read article 870 of the Code of Practice in relation to the procedure under a *quo warranto*, when the party does not answer within the time allowed.

The only question in this case, as his Honor took it at first blush, was whether the directors had received the certificates of their election by the judges of the election. If they had, then they certainly could not be looked upon as usurpers, and the course is plain; if not, it is plainer, and the law provides the remedy. His Honor begged to call the attention of counsel to this point particularly, and as he looked upon the case as a highly important one, he should be pleased to hear the counsel on both sides, and the gentlemen would be permitted to speak as long and as often as they pleased.

Mr. Pierce then read the protest of the stockholders, to the illegality of the election. It appeared that the commissioners of the election had certified to the number of votes polled, and the number that each director had received; but believing afterwards that the election had been illegal, they had refused the certificate of their election. Under the 3d section of the charter creating the bank, no two partners can be eligible at the same time as directors of the bank; neither a director from another bank: and Mr. Pierce contended that Messrs. Peters, Converse and Shaw were illegally elected.

Mr. Hunt followed, and read the letter of Mr. Relf, the cashier of the bank, informing the new board that in consequence of the difficulty that had occurred, he had deferred notifying them to meet, and gave notice for them to meet and elect their president, when he should hold himself subject to the orders of the new board. Mr. H. commented on the qualifications of the voters, and stated that according to the provisions of the charter of the bank, the persons receiving a *plurality* of the votes polled are to be the directors.

Mr. Grymes, Mr. Prentiss, Mr. Hunt and Mr. Pierce all spoke in the case, but we have no room for their arguments, of which we took a full synopsis. The court proceeded at once to give its decision. It decided that the certificate was not sufficient—that it does not state that the persons have been duly elected by the qualified electors. That when the judges of the election gave the certificate, they perhaps did not know that three of the directors were in other banks; as to them the election is a nullity.

Before the final judgment was rendered, Mr. Palfrey was sworn, to prove that the assets of the State Bank were worth a great deal more than \$300, for the purpose of enabling the defendants to appeal, which we learn will be done immediately. The case will therefore go up, which will keep in the new incumbents until a final decision is made.

The following is the decree of the court:

The court, taking into consideration, the 25th rule of the Louisiana State Bank, and the form and manner in which the certificate of the election to be given by the judges appointed to conduct it ought to be made; considering that the certificate introduced in evidence by respondents is not made according to that form and manner, and that respondents have not shown a sufficient authority to meet as President and Directors of the Louisiana State Bank; considering further sec. 10th of the charter of the Louisiana State Bank; ordered and decreed that the election of the Directors of the Louisiana State Bank, held on the 5th of February, 1849, be annulled, and that the Board of Directors in existence of the said 5th of February, last past, 1849, does still continue to exist, and that they shall appoint a day for the election of directors, and elect them according to law.—*New Orleans Picayune*, 13th March, 1849.

## Review of the Month.

NEW YORK, 24 MARCH, 1849.

Money is still in active demand and good paper selling in Wall Street at 9 to 12 per cent. The spring business has opened with fine prospects at New York, Boston and Philadelphia. Exchange on England has fallen to 6½ a 7 per cent., at which rate specie may be imported with a slight profit. The exports of coin from this port to Europe since 1 January last, amount to \$277,000 only, and the balance of trade is now turning in our favor.

At Boston there has been, for the past month, an unusual demand for money, and considerable paper from that city has been sent to New York, Philadelphia and Baltimore for discount. One remarkable feature in the Boston money market is, that their bank deposits bear but a small proportion to their ordinary business, when compared with other cities. It is the practice at Boston to charge interest on loans, between merchants, even for 8 or 10 days only. This reduced line of individual deposits is shown as follows, from the latest printed returns.

	<i>Bank Capital.</i>	<i>Deposits.</i>	<i>Circulation.</i>	<i>Specie.</i>
Boston, . . . .	\$19,000,000	\$6,000,000	\$4,950,000	\$1,880,000
New York, . . . .	24,150,000	21,400,000	5,700,000	5,800,000
Philadelphia, . . .	13,700,000	8,700,000	3,500,000	4,500,000

Government securities have been fluctuating during the past month. The loan of 1868 has reached 113½, and will unquestionably go up to a much higher point before midsummer. It will be found necessary to adopt the U. S. sixes as a basis in part for the bank circulation of New York. As the charters of the old banks expire, the

same institutions will be generally organized, together with new ones, as free banks. The circulation of the latter has been hitherto issued upon a hypothecation of New York stocks, which are not sufficient for the present demand. The State debt of New York, according to the Comptroller's Annual Report for 1849, is . . . \$23,743,000 of which is held in foreign countries, . . . \$6,654,000 and hypothecated by the banks, . . . 7,627,000 leaving about nine millions in other hands. Of this, large amounts are known to be held as trust funds, and by our various Insurance and Trust Companies as permanent investments.

These facts, added to the redundancy of capital in Great Britain, will create an increased demand for our government securities, and we shall not be surprised to see them advance to 117, 118, during the current year.

A Bill is now before the Legislature of this State, providing for the *individual liability* clause in all new banking concerns within the State. The provisions of the Bill are to the effect that the liability of individual stockholders shall be to the amount of stock held by them, for the unpaid debts of the Bank as contracted after January, 1850. There are no less than 32 sections of the Bill, the details of which we omit until it shall become a law.

Several of our State Legislatures having adjourned, we now refer to their action with regard to the banks.

**Kentucky.**—Attempts have been made to amend the charter of the Southern Bank of Kentucky, so as to induce capitalists to embark in the stock, but nothing has been done with it. A Bill was passed by the Senate, with a decided majority, for the establishment of the "Farmers' Bank of Kentucky," but it was left among the unfinished business of the Lower House. There is a strong desire in Kentucky to introduce further banking capital in the southern section or Green River portion of the State; and we learn that measures will probably be brought forward at the next session for selling the State Bonds now held by the Board of Education, amounting to about \$1,400,000, and investing the proceeds in additional stock of the Northern Bank, the Bank of Kentucky, and the Bank of Louisville; placing this increase in new branches at points indicated in the proposed charter of the Farmers' Bank. The necessary augmentation of bank capital and of bank circulation would thus be effected without the incorporation of new institutions, and without affecting the confidence of the people in those which now exist.

The charter of the Southern Bank was granted about ten years since, but its capital has not at any period been subscribed.

**South Carolina.**—The Bill for re-chartering the "Bank of the State of S. C." failed to pass the Legislature. The charter of the present institution, with a capital of \$1,123,358, will expire in 1856, and its friends are desirous at this period of procuring a renewal. Our readers will find a defence of the bank, from the pen of its president, at page 30 of our first volume. It seems that the Bank has realized seven per cent profit, annually, since its organization, which is doing very well for a State institution. South Carolina, North Carolina, Virginia, Maryland, Missouri and Kentucky, have yet large sums embarked in bank capital.

**Massachusetts.**—The House of Representatives, on the 14 March, after a long debate, refused to repeal or modify the Usury Laws, or to allow the Committee to report a Bill to that effect. The legislature has granted a charter for the Fall River Fire and Marine Insurance Company.

**Pennsylvania.**—The Farmers and Mechanics' Bank, of Philadelphia, has been re-chartered, the bank yielding to the State a bonus of about \$25,000 for fifteen years' renewal. The Commercial Bank of Pa. and the Bank of the Northern Liberties have also been re-chartered.

Nothing has been done by the Legislature towards the liquidation or extermination of the Relief notes now in circulation. It is a matter of deep regret to those who are tenacious of State credit, that no measures have been adopted to cancel such issues. To the people of the State it is a matter of no pecuniary importance, but it has a bad effect abroad; more especially as the amount is so small, being some \$700,000, which should be converted into a six per cent. stock at once.

The Girard Bank has applied for a reduction of its capital from \$5,000,000 to \$1,250,000, thus reducing the par value from \$50 to \$12 50 per share. The bank has now been in business two years, since the assignees re-transferred the assets of the bank to the shareholders. The shares were selling a year ago at 9 a 10, they are now quoted at 12½.

No intimation has yet been given of the policy of the new administration as to the Sub-Treasury and the government deposits. It is conceded by sober men of the late dominant party, that the Sub-Treasury has been a failure: that, it has met neither the expectations of the government nor the wishes of the people. Nothing can be done, however, until the next session of Congress, when the present system, so utterly unfit for government and commercial purposes, will be dispensed with, and a substitute brought forward that will be equally or more safe, and contribute greater facilities for the Treasury and its transactions with the people.

Our present No. furnishes some of the latest information upon the subject of the Supply of the Precious Metals. Time will develop the actual resources of mineral wealth in California; at present the statements from that region are so speculative, that without more reliable materials we must postpone any opinions upon the subject. Congress has adjourned after providing for the coinage of gold dollar pieces and double eagles; but failed to establish a Branch Mint in the City of New York. This last measure was strongly urged by some of our best citizens, and it is to be hoped that the next session of Congress will pass it.

We have prepared from Mr. Jacob's valuable *Essay*, the following condensed view of the Supply of Gold and Silver, and the quantity of coin in circulation since the discovery of America. Those who wish to pursue the subject still further, with the Supply and Exchange of the Precious Metals, will find copious articles in Blackwood's Magazine, vol. xxviii.; in the American Whig Review, vol. v.; North American Review, vol. lvi.; Edinburg Review, vols. xiii. xvii.; London Quarterly, vol. xviii.

The American gold pieces are yet counterfeited most successfully, and with such exactness as to deceive bank officers. We learn that in a single deposit of promiscuous coins by one of the Philadelphia banks, for re-coinage at the mint, a few days since, there were no less than five counterfeit quarter eagles. If bank tellers are thus deceived, it is not surprising that ordinary persons, without the means of detecting spurious coin, are readily imposed upon.

#### *Estimate of Coined Money in the Sixteenth Century.*

The stock of gold and silver, as money, at the time of the discovery of America, (1492) has been estimated by competent writers at . . . . .	£34,000,000
And the amount produced from that period to the year 1600, after an allowance for wear and tear, . . . . .	138,000,000
Making a total of sterling . . . . .	£172,000,000
Deduct amount transferred to Asia and amount absorbed in the arts and manufactures, . . . . .	42,000,000
Supposed to be on hand in the year 1600, . . . . .	£130,000,000

#### *Seventeenth Century.*

To this add the estimated produce of the American mines for the century ending 1700, . . . . .	337,500,000
	£467,500,000
From which must be deducted as follows: wear and tear, 1 part in 300 annually, on £130,000,000 for 100 years, . . . . .	£43,000,000
Shipped to India and China, . . . . .	33,250,000
Converted to other objects than coin, . . . . .	60,250,000
Wear and tear on the produce of the century, . . . . .	34,000,000
Estimated coin in Europe in the year 1700, . . . . .	£297,000,000

*Eighteenth Century.*

£297,000,000

To this add the produce of the Mexican mines coined from 1700 to 1810, according to Humboldt and Ward, viz:

From 1700 to 1710, . . . . .	£10,777,298	
1710 to 1720, . . . . .	13,697,297	
1720 to 1730, . . . . .	17,131,921	
1730 to 1740, . . . . .	19,860,355	
1740 to 1750, . . . . .	23,302,633	
1750 to 1760, . . . . .	26,197,936	
1760 to 1770, . . . . .	23,506,012	
1770 to 1780, . . . . .	34,912,358	
1780 to 1790, . . . . .	40,318,948	
1790 to 1800, . . . . .	49,191,711	
1800 to 1809, . . . . .	47,142,814	304,039,783

And the amount exported from Mexico without paying duty, . . . . 60,807,956

Being an estimated annual produce of £3,316,706.

Produce of mines in Peru, ascertained, . . . . .	£100,169,524	
“ “ Colombia, “ . . . . .	57,341,666	
“ “ Chili, “ . . . . .	19,532,166	
“ “ Buenos Ayres, ascertained, . . . . .	96,250,000	273,293,356
Produce on contraband, estimated at one-fourth, . . . . .		63,323,339
Produce of Portuguese Territories in Brazil, . . . . .		173,535,566

A grand total of . . . . . £1,177,000,000

From which deduct as follows: wear and tear, for 110 years, on

£297,000,000, . . . . . £71,000,000

Wear and tear on the product of the 110 years, . . . . 22,000,000

For the trade with Asia, two-fifths of £980,000,000, . . . 352,000,000

Two-thirds of the remainder, £528,000,000, applied to

other purposes than coin, . . . . . 352,000,000 797,000,000

Leaving as stock in Europe at the end of the year 1809, . . . . . £380,000,000

*Nineteenth Century.*

Produce of the mines for 20 years following 1809, estimated at

£5,186,800 annually, . . . . . £103,736,000

£483,736,000

From which we must deduct for abrasion on £380,000,000 at the rate

of 1 part in 420 per annum, . . . . . £18,095,220

Converted into utensils, £5,612,611 annually, . . . . 112,252,220

Transferred to Asia, £2,000,000 “ . . . . 40,000,000 170,347,440

Estimated on hand in Europe in the year 1829, . . . . . £318,388,560

Being £66,611,440 less than in 1809.

The computation of the aggregate on hand in 1809 of £380,000,000, approaches the estimates made by Forbonnais, Gerboux and Villefosse. At the same time M. Necker estimated the coin on hand in France to be nearly equal to one-half that of all Europe, and the collective stock not much to exceed one-half of this estimate.

During the century following the discovery of America, the quantity of the precious metals in Europe was more than quadrupled. The increase was regular and was accompanied by a similar increase in the prices of the general mass of commodities. The rise was gradual and almost imperceptible. Thus it will be found that the annual addition of  $1\frac{1}{2}$  per cent. to any sum will in one hundred years increase the original sum five fold.

The increase continued throughout the 17th and 18th centuries, thus showing from the most elaborate examinations, a stock of £330,000,000 in 1809, against £130,000,000 in the year 1600.



Mr. Jacob's work, to which we are largely indebted for the condensed view herein given, estimates a reduction of one-sixth in the coin of Europe in the twenty years preceding the year 1829. That writer attributes the fall in prices during the same period to the decline in the quantity of coin on hand. We think, however, that this decline of prices is owing rather to the increased facilities of manufacturing, and to the immense labor-saving machinery that have been brought into operation in Europe and in our own country.

The author also makes an error in computing the loss on the entire stock of coin, from abrasion, for each year during the century, whereas the amount of loss obviously decreases as that stock declines. It would seem, too, that the loss by abrasion is estimated upon the whole stock of coin on hand, whereas we may assume that one-third or one-half of that stock is continually in a state of rest, and not subject to such decline or loss.

There is no doubt that the present increase in the stock of precious metals is as great, if not much greater, than at any previous year in the history of the world. The accessions from California, Mexico, South America and Russia, will serve to place larger amounts of coin in actual circulation and likewise to convert larger portions to the various uses of the arts and manufactures.

We already perceive a rise in the market value of government securities and in real property: a more active condition of trade in its numerous branches and in commerce. The aggregate happiness of the people is greatest, when the national wealth is increasing more rapidly than its population: when the demand for labor is kept in advance of the supply. Notwithstanding the rapid increase of the population of the U. S. experience confirms the opinion, *that under favorable circumstances, and in a state of peace, the masses of capital and the combined savings of capitalists, will facilitate accumulation in a greater ratio than the increase of population.*

From official reports lately obtained through the London Times, the production of gold in the Ural and Siberia has been ascertained to be as follows, estimating the pood at £2,000 sterling.

Year.	Poods.	Value in Sterling.	Year.	Poods.	Val. in Sterling.
1829, . . .	314	£628,000	1839, . . .	525	£1,050,000
1830, . . .	378	756,000	1840, . . .	595	1,170,000
1831, . . .	396	792,000	1841, . . .	681	1,362,000
1832, . . .	410	820,000	1842, . . .	950	1,900,000
1833, . . .	408	816,000	1843, . . .	1233	2,566,000
1834, . . .	406	812,000	1844, . . .	1341	2,692,000
1835, . . .	413	826,000	1845, . . .	1386	2,772,000
1836, . . .	426	852,000	1846, . . .	1730	3,460,000
1837, . . .	469	938,000	1847, . . .	1825	3,650,000
1838, . . .	524	1,048,000	1848, . . .	2000	4,000,000

The product of 1848, (2000 poods) is *estimated*. The yield is thus shown to be for twenty years an aggregate of 16,450 poods, or at £2000 per pood equivalent to £32,900,000, and at \$4 35 per £ equal to \$159,565,000, or eight millions of dollars per annum.

This increase of eight millions of dollars annually, from one source only, while it has contributed so largely to the national wealth of Russia, has not affected the relative value of gold and silver, nor has it perceptibly affected property or commerce. One result has been to enable the Czar to purchase French and English government securities, and thus to relieve the money market of these two countries at a dangerous crisis.

The fluctuations of the English funds during the month of February were unusually great, three per cent. consols having risen from 91 to 94½. Money was plenty in the London market at 2 to 3 per cent. per annum. The present abundance of capital has induced the application to Parliament for a charter of "The British Bank," with a proposed capital of one million sterling. The new bank will be founded for the purposes of receiving deposits at interest, making advances on approved securities, granting cash credits, and transacting business generally upon the Scotch system.

THE  
BANKERS' MAGAZINE,  
AND  
State Financial Register.

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No. XI.

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A PAPER UPON CALIFORNIA;

BY

J. MORRISON HARRIS.

THE general interest which is felt in regard to this recently acquired territory, the dazzling accounts of its mineral wealth, the stream of emigration pouring into it, and the boundless field which it offers to the commercial enterprise of our age, combine to make California an important subject of investigation. The elements of greatness which are found within its borders, enforce the conviction that in a short time this remarkable country is destined to attain pre-eminence among the commercial emporiums of the world. It is a Hercules even in the cradle; and while other nations through well defined stages of progress rise slowly into power and significance, this ocean-colony, like the vapour which the Arabian fisherman freed from the magic casket, will swell at once into form and grandeur. To the Christian, who recognises, in all the events of time, the presence and wisdom of God, there is much in connection with its development, which seems to mark it as a distinct link in the chain of providential interference.

This interesting country lies upon the edge of that great ocean whose depths are filled with wealth, and whose countless islands offer in their abundant drugs and spices almost inexhaustible inducements to profitable commerce. Its climate is salubrious and delightful, its soil is singularly fertile, its rivers navigable, and its harbors capacious and secure. It is within easy reach of eastern Asia, and is filling up with a hardy and energetic population of Anglo-Saxons, whose feet press for the first time the sands of the Pacific, and who will soon develop those resources of wealth and power which have so long tempted the enter-

prise of the past. Bound by the affinities of homogeneous population, political union, and common interest to this Republic,—with the iron pathways of trade extending, as they soon will, from ocean to ocean through our own territory, and the long line of the magnetic wire thrilling with communicated thought,—it will grow into a great central station between Europe and Asia, and powerfully influence the interests and institutions of the Old World, while at the same time, it expands the resources and builds up the greatness of our own country.

It is not my design to review fully the history of California from the period of its earliest settlement, but only to embody such facts as are essential to the connection of this narrative, and tend to explain points which it may be necessary briefly to discuss.

The country known under the name of California, stretches upon the Eastern edge of the Pacific Ocean, from the parallel of 22° 48' to the 42d degree of North latitude, and is divided into upper and lower California. OLD or LOWER CALIFORNIA is the name applied to the Peninsula which trends to the South-East, between the Pacific Ocean and the Gulf of California, to the 22d parallel.

It was discovered in the year 1534 by one of the captains of Cortéz, and for the succeeding century and a half occupied largely the attention of the Government of New Spain.\* Numerous expeditions were sent out both by the Vice Royal Government and by private individuals, for the purpose of exploration and settlement; and the current reports of the wealth of the country in gold and pearls kept the spirit of adventure alive up to the year 1683, when the Government, believing the settlement of the country to be impracticable, determined that no further attempts should be made at the public cost. The expeditions resulted unfavorably in almost every case. The navigation was hazardous,—the coast of the Peninsula which the discoverers skirted, was barren and desolate. Much difficulty was experienced in obtaining food, and some of the native tribes manifested a hostile spirit. Under such circumstances, the settlement of the country would probably have been long postponed, had not other influences brought to its accomplishment a few devoted men, whose labors have invested the early history of California with a peculiar interest.†

In all the important enterprises of that adventurous age, religion went hand in hand with discovery; and when in this instance the secular power shrank from the difficulties connected with the settlement of California, the missionary priesthood of the Catholic church entered upon the field, and accomplished the *spiritual conquest* of the country.

The undertaking was a formidable one. Numerous expeditions, backed by the power of the Government, or sustained by individual wealth, had attempted it during a century without success; and we cannot withhold our astonishment and admiration, when we find that a few priests, almost destitute of resources, and strong only in faith, encountered all the difficulties incident to the undertaking, and finally achieved the settlement of the country. The success of this enter-

\* Forbes's California, p. 7.

† Forbes. Vanegas.

prise was chiefly owing to the labors of Fathers Kino and Salvatierra, who were worthy followers of Loyola; and those who wish to appreciate the life of the Catholic missionary, will find the record of their labors in California an interesting history of privation and danger.\*

They obtained a foothold in the country with great difficulty. By undeviating kindness, they slowly overcame the hostile feeling which the conduct of previous adventurers had excited, and were enabled to establish mission houses in different parts of the Peninsula, each of which became the nucleus of a settlement. At these establishments they concentrated as large an Indian population as possible, and by ingenious artifices and constant kindness, induced them to assist in the cultivation of the land, while, at the same time, they instructed them in the first principles of Christianity. One of the greatest difficulties which they had to contend with was the invincible sloth of the natives, and the establishment of a mission was a task of slow and laborious accomplishment.

After the selection of a suitable location, the priests by gentle treatment and liberal presents, gained the good will of the Indians. During this interval, their lodging was in the open air, or under a rude hut of *mesquit* branches. The next step in the progress of civilization was the erection of small houses of *adobies* or sun-baked bricks; and finally the chapel and numerous outbuildings of the mission were constructed. In the labor of these erections, the Fathers themselves participated largely. Their first assistants were the Indian boys, whose aid they secured by donations of sweetmeats or by innocent wagers, as to who could destroy most *mesquit* bushes, carry away most earth, or mould the largest number of *adobies*, in a given time. Thus by degrees the Indians were slowly humanised, the religious establishments became numerous and thriving, the power of the Fathers was consolidated, and the spiritual conquest of Lower California was accomplished.†

Apart however from the partial conversion of the Indians, these severe labors had no very important results. The country proved to be unattractive and barren. Seven or eight hundred miles in length, and varying from thirty to a hundred miles in breadth, it was found to consist of broken groups of bare rocks, with tracts of sandy soil, interspersed with narrow strips of cultivable land. There were only two or three streams in the whole country, and springs of good water were very rare. The only wealth of the peninsula was in minerals and pearls, and the policy of the Fathers forbade the development of these resources, fearing that they would attract a class of population which would have thwarted their plans for the conversion of the natives. The severe restrictions which they imposed with the approbation of the Government of New Spain, account for the long interval which has elapsed before the greater attractions and singular wealth of the main land were opened to enterprise. Through the arteries of an encouraged commerce alone, beats the great heart of national progress. The pearls of the gulf, and the quicksilver and gold of the Peninsula, would

\* Vanegas.

† Vanegas. Forbes's California, p. 33.

have led Trade with her thousand energies, into the valley of the Sacramento centuries ago, and made the treasures of the El Dorado a tale of the past, instead of a marvel of the present.

NEW or ALTA CALIFORNIA was discovered about 1542, by Juan Rodriguez Cabrillo, who explored the coast as far north as the 43d degree. Portions of the coast were visited by Sir Francis Drake in 1578; by Francisco Galli in 1582, and by Sebastian Vescayna in 1603. Vescayna discovered the ports of San Diego and Monterey, and closed the career of northern exploration which had originated with Cortéz.\* In 1767, the Jesuits, by whom the settlement of Lower California had been accomplished, fell under the displeasure of the Government of Spain, and were expelled from the Peninsula.† The Marqués de Croix, who was at that time viceroy of New Spain, replaced them by the rival order of the Franciscans, upon whom he strongly urged the *spiritual conquest* of the Upper Province. This enterprise the Government considered more important than the settlement of the Peninsula. The accounts which were current of the wealth of the country were very flattering, and political reasons induced them to lend efficient assistance to the adventure. Both France and England at that time evinced considerable interest in the islands of the Pacific, and the countries upon its coast; and the explorations of Bourgainville and Cook, had begun to excite alarm. Russia also, with noiseless, but certain advance, was stretching her gigantic empire along the western coast, and Spain recognised the necessity of preventing these dangerous intruders from obtaining a foothold in her American possessions.‡

Under these circumstances, the spiritual subjugation of Upper California was accomplished in a comparatively short time. The same career of privation and toil was run by the priestly pioneers as marked the settlement of the Peninsula, but the missions grew up more rapidly, and the difficulties were, on the whole, fewer. The results were equally unimportant. Neither Mexico nor the colony was much benefited. The country offered great inducements to a profitable trade, and was believed to possess large deposits of quicksilver and gold; but the narrow and unwise policy of Mexico, both when an appendage of Spain, and an independent State, rendered the development of its resources impossible. The Government fettered commerce. It imposed restrictions instead of granting facilities; levied onerous taxes, and stretched a barrier of custom houses across ports which a liberal policy would have crowded with profitable trade. The interests of the country were wholly disregarded; and California became a refuge for invalid soldiers, indolent priests, and pampered officials.¶

The missions, however, aided by large donations from the pious in Mexico, which were consolidated into what was styled "the California Pious Fund," rapidly grew in importance. They brought the mass of the native population into a condition of comparative vassalage, and

\* Forbes's California, 79, 80.

† Greenhow's Oregon and California, p. 106.

‡ Greenhow's Oregon and California, pp. 104, 105.

¶ Forbes, 289. Revere, 28.

gradually absorbed the valuable lands, almost to the exclusion of the white settlers. They existed in a state of almost total independence of Mexico; and although ordinary government establishments were kept up, as in the other provinces of the Vice Royalty, the priests were virtually the owners of the soil, and the masters of the country. Affairs remained in this position until the occurrence of the Mexican revolution in 1824. The Californias were then erected into territories, not having sufficient population to entitle them to be federative States, and were each allowed to send one member to the general Congress, who was privileged to take part in the debates of that body, but had no voice in its decisions. As territories, they were under the government of an agent styled the Commandant General, whose powers were very extensive.\*

In the year 1827, the changes which had occurred in affairs in Mexico in consequence of the revolution of 1824, began to affect Upper California, and measures were adopted by the Government which opened the country to the influence of progress. The most serious of these was the secularization of the missions. As this mission system is the most important feature in the history of California, it is necessary to understand its character and operations. The spiritual conquerors of Upper California obtained a foothold in the country in 1769, and between that period and 1835, twenty-one missions were established. The missionaries having, by the settlement of the country, carried out the policy of the Government of New Spain, they were left to accomplish the task of converting the native population, which was their great object, unmolested by the Government, for more than half a century. With the first monks who went into the country, small detachments of soldiers were sent as guards, but as the establishments became important, the country was divided into four military districts, the head-quarters of which were termed Presidences or Presidios. The buildings at these consisted of quarters for the troops, a house for the commandant, a church, and warehouses. At a short distance was erected a fort, and to each Presidio was assigned two hundred and fifty mounted soldiers. These soldiers, the refuse of the army, were mostly deserters, mutineers and felons. The garrisons were intended for the protection of the missions, and the chief occupation of the troops was to recapture absconding converts. Connected with each Presidio were "Ranchos," or national farms, which were set apart for the use and support of the soldiers. After a certain term, the troops became exempted from further service, and grants of land were given to such as desired to settle in the country. This class founded three free "Pueblos" or Towns: Los Angeles, San José and Branciforte. So jealous were the missionaries of intrusion, that no grants of land could be obtained without their assent, which was given only to their own adherents; and as the soldiers were not allowed to marry, except by special permission, the free settlers were small in number. In 1835, the whole population of white and mixed castes in these towns, exclusive of Indians bound to the missions, did not exceed five thousand.

\* Forbes, 132, 133.

The mission establishments to which both the *Presidios* and *Pueblos* were subsidiary, were all formed on the same plan, and varied only in their extent, standing and population. Each mission was governed by a Friar, styled the prefect, who corresponded with the Government at Mexico, and ruled with absolute power over all the concerns of the establishment. The tillage of the ground, the gathering of the harvest, the slaughtering of the cattle, the weaving, and the spiritual and physical interests of the resident Indians were all directed by him. To each mission, a tract of about fifteen acres of land was originally allotted, but they gradually extended their boundaries from one establishment to another, and absorbed nearly all the valuable land on the coast. The edifices consisted of houses for the priests, storehouses, the dwellings of the Indians, and a church. The wealth of a mission depended largely upon its converted Indians, whose condition was little better than absolute slavery; and the number of these was increased by persuasion, purchase, and in some cases, force. Their religious education was attended to, they were clothed and fed, instructed in some useful arts, and performed all the labor of these extensive establishments. On the whole, it may be supposed that they were benefited by the working of the system. In 1832, the whole native population connected with the missions amounted to eighteen thousand six hundred and eighty-three. It, however, was not equally distributed. The mission of San Luis Rey possessed at that period three thousand dependant Indians. The number of domesticated animals belonging to this establishment exceeded sixty thousand, and its domain yielded annually about thirteen thousand bushels of grain.\*

From these details, an opinion may be formed of the character and importance of the mission system. It concentrated power and wealth in the hands of a small body of monks, and while this power was doubtless sometimes abused, all the writers upon California bear concurrent testimony to the eminent zeal, virtuous conduct, self-denial, and kindness of these missionary rulers.

A spirit of opposition to the missions had long been gathering strength in Mexico, and in 1833, under the administration of Gomez Farias, an act passed the Mexican Congress, decreeing their secularization. This was followed by other acts, suspending the salaries of the monks, directing them to liberate the Indians from their servitude to the mission establishments, and to provide them with districts of land for their maintenance. The "Pious Fund" was confiscated; the removal of the missionaries, and the division of their property among the Indians and settlers was decreed, and an extensive plan adopted for the settlement of the country by emigration.

With these measures the history of the missions closes. They were deserted and speedily decayed;—and now, dilapidated walls and neglected fields alone bear witness to their former importance and extent.

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\* Greenhow's *Oregon and California*, p. 113. Thornton's *Oregon and California*, p. 92. Forbes's *California*, pp. 201 to 228. Bryant's *California*, 279 to 286. Robinson's *Life in California*, 1846, pp. 24, 33.



In the year 1845 the population of Upper California amounted to about ten thousand, exclusive of Indians.\* Of this number two thousand were Americans, and it became evident to the more intelligent Californians that the increase of this class of population placed in jeopardy the government and institutions of the country. This apprehension led to the adoption of measures which hastened the event they dreaded. The revolution of 1845, headed by Don José Castro, Alvarado, Pio Pico and others, and in which the foreigners in California participated, resulted in the deposition of the Mexican governor, General Micheltorena; and the assumption of the gubernatorial functions by Pio Pico, and of the military command by General Castro.

General Castro at once adopted a policy highly offensive to the foreign population. Among other acts was the promulgation of a decree requiring all Americans to leave the country. No immediate attempt was made to enforce this decree, but it excited the determined hostility of those against whom it was directed, and they at once prepared to resist its execution. Soon after its promulgation, a detachment of soldiers was sent by General Castro to remove some government horses from the mission at San Raphael to his head-quarters at Santa Clara. They were obliged, in the performance of this duty, to cross the Rio Sacramento at Nueva Helvetia, in the neighborhood of which a large American population had concentrated. Intelligence of their approach was given to the settlers by an Indian, and also to Capt. Frémont who was at that time in the valley; and a Mr. Knight who had encountered them, communicated the important information, that these horses had been sent for to mount a battalion of two hundred men, to be used by General Castro in the expulsion of the Americans from the valley. It was also stated that Castro intended to fortify the Bear River Pass, and shut out emigration from the United States.

A meeting of the Americans was at once held, and a volunteer party started after the Californians, took the horses from them, and sent word to Castro by the soldiers that "if he wanted his horses he must come

\* Bryant, 286.

*Emigration to California.*—According to the lists made out in the New York Herald, the number of vessels which have, up to the present moment, (March, 1849,) cleared in the ports of the United States for California, is 270, carrying, passengers and crews together, 17,341 souls. The following exhibits the number of vessels and emigrants, including crews, that have sailed by the different routes:

By Cape Horn, . . . . .	198	vessels.	12,323	souls.
Chargres, . . . . .	45	"	3,229	"
Vera Cruz, . . . . .	8	"	594	"
Brazos, . . . . .	11	"	765	"
Corpus Christi, . . . . .	3	"	103	"
San Juan, . . . . .	2	"	118	"
Tampico, . . . . .	2	"	87	"
Lavaca, . . . . .	1	"	122	"
	270	"	17,341	"

This estimate, from the general accuracy of this paper, is probably nearly correct as far as the emigration from the Atlantic ports; but the population has been immensely increased up to this time by the thousands who have gone to California from this country by the overland routes, from the western coast of South America, from Mexico, the Pacific Islands and Europe.

and get them." The movement, thus commenced, was prosecuted in the manner peculiar to the parties. The Mexicans fulminated ridiculous proclamations; the Americans came off victorious in all the encounters which occurred; had taken Sonoma, driven Castro out of the Northern Valley, in seventeen days after the issue of his order, and were seriously meditating the policy of raising the banner of the "Bear and Star," and planting a Republic on the shores of the Pacific.\*

The opportune appearance of the United States as an actor in the affairs of California prevented the consummation of this scheme. On the 2d of July, 1846, Commodore Sloat, in the frigate *Savannah*, entered the harbor of Monterey, and in view of the difficulties between Mexico and the United States, determined to take possession of the place. The American flag was raised by him at this point on the 7th instant, and soon after at San Francisco and Sonoma. On the 15th, Commodore Stockton arrived at Monterey, and on the 17th of the following month issued a proclamation, declaring California to be in the full and peaceable possession of the United States. In September a revolution broke out, and some hard fighting became necessary to the retention of the territory thus easily acquired; and the Americans, under the commands respectively of Commodore Stockton, General Kearney, and Captain Frémont, convinced their opponents that it was vain to hope the forcible expulsion of the intruders who had raised the flag of the United States upon the soil of California. The revolution of Flores was effectually crushed, and Commodore Stockton (General Kearney protesting against his power to do so) appointed Lieut. Col. Frémont Governor of California. Commodore Stockton was soon afterward superseded by Commodore Shubrick, and in March, 1847, General Kearney assumed the reins of government. In May, he returned to the United States, leaving Colonel Mason, who had been sent out for that purpose, Acting-Governor of California.†

The space within which I am obliged to confine my paper, makes it necessary to sketch rapidly these important events. I have said nothing of the premature occupation of Monterey by Commodore Jones in 1842, only glanced at the revolution headed by General Flores, and given no extended view of the movement of the American settlers under Mr. Ide, which was called the "Bear Revolution."‡ Among other matters thus hastily alluded to, is the unfortunate collision between General Kearney and Commodore Stockton. It is greatly to be regretted that this difficulty should have occurred, especially as its result has been to deprive the Government, for the present at least, of the invaluable

\* Bryant, 286. Hughes's *California*, 81.

† Bryant, 287 to 405. Documents accompanying the President's message of December, 1848, pp. 1037 to 1054.

‡ The corps of volunteers consisting of American emigrants to California, commanded by Mr. Ide and Captain Grigsby, raised the flag of the "Bear and Star" in the settlements on the Sacramento, and held that part of the province in quiet possession. Their intention was to establish an independent government in case the United States forces did not co-operate in wresting the country from the hands of the Mexicans. These were styled the Bear Men. The number of grizzly bears in the country and the single star of the Texan flag, probably suggested the device of their own banner.—*Hughes's California*, p. 82

services of Lieutenant Colonel Frémont, one of the boldest and most scientific explorers that has ever served the Republic. To his untiring energy, indomitable perseverance, extended research and graphic pen we are indebted for the most reliable and interesting details which have been furnished in connection with our far western possessions; and it is a matter of national moment that such a man should speedily be restored to the position which his high qualities so well fit him to adorn.

After the expulsion of the last Mexican Governor, General Micheltorena, and before the occupation of the country by the American forces, a Junta was convened at Monterey, and the question of a foreign alliance argued with great earnestness, and no inconsiderable ability. The most prominent members of this body were General José Castro, Don Pio Pico, and Don Mariana Gaudalupe Vallejo. The two first were earnest in their advocacy of immediate annexation to France or England, and Vallejo was in favor of a union with the United States. I quote the speeches of Señors Pico and Vallejo, because they show what were the feelings of the better informed Californians at this crisis, and allude, in forcible language, to the resources of their country and the characteristic results of Mexican domination.\*

"Excellent Sirs!" argued Pio Pico, "to what a deplorable condition is our country reduced! Mexico, professing to be our mother and our protectress, has given us neither arms, nor money, nor the material of war for our defence. She is not likely to do any thing in our behalf, although she is quite willing to afflict us with her extortionate minions, who come hither in the guise of soldiers and civil officers, to harrass and oppress our people. We possess a glorious country, capable of attaining a physical and moral greatness corresponding with the grandeur and beauty which an Almighty hand has stamped upon the face of our beloved California. But although nature has been prodigal, it cannot be denied that we are not in a position to avail ourselves of her bounty. Our population is not large, and it is sparsely scattered over valley and mountain, covering an immense area of virgin soil, destitute of roads, and traversed with difficulty; hence it is hardly possible to collect an army of any considerable force. Our people are poor, as well as few, and cannot well govern themselves and maintain a decent show of sovereign power. Although we live in the midst of plenty, we lay up nothing; but, tilling the earth in an imperfect manner, all our time is required to provide proper subsistence for ourselves and our families. Thus circumstanced, we find ourselves suddenly threatened by hordes of Yankee emigrants, who have already begun to flock into our country, and whose progress we cannot arrest. Already have the wagons of that perfidious people scaled the almost inaccessible summits of the Sierra Nevada, crossed the entire continent, and penetrated the fruitful valley of the Sacramento. What that astonishing people will next undertake, I cannot say; but in whatever enterprise they embark they will be sure to prove successful. Already are these adventurous land-voyagers

\* Mr. Revere, from whose work these speeches are taken, intimates that the remarks attributed to Pio Pico, may have been in fact delivered by Señor Antonio Varillo, who was a member prominent in the Junta. See Revere, pp. 24 to 30.

spreading themselves far and wide over a country which seems suited to their tastes. They are cultivating farms, establishing vineyards, erecting mills, sawing up lumber, building workshops, and doing a thousand other things which seem natural to them, but which Californians neglect or despise. What then are we to do? Shall we remain supine, while these daring strangers are overrunning our fertile plains, and gradually outnumbering and displacing us? Shall these incursions go on unchecked, until we shall become strangers in our own land? We cannot successfully oppose them by our own unaided power, and the swelling tide of emigration renders the odds against us more formidable every day. We cannot stand alone against them, nor can we creditably maintain our independence even against Mexico; but there is something which we can do which will elevate our country, strengthen her at all points, and yet enable us to preserve our identity and remain masters of our own soil. Perhaps what I am about to suggest may seem to some, faint-hearted and dishonorable. \* \* \*

"There are two great powers in Europe which seem destined to divide between them the unappropriated countries of the world. They have large fleets and armies not unpracticed in the art of war. Is it not better to connect ourselves with one of these powerful nations, than to struggle on without hope, as we are doing now? Is it not better that one of them should be invited to send a fleet and an army, to defend and protect California, rather than we should fall an easy prey to the lawless adventurers who are overrunning our beautiful country? I pronounce for annexation to France or England, and the people of California will never regret having taken my advice. They will no longer be subjected to the trouble and grievous expense of governing themselves; and their beef and their grain, which they produce in such abundance, would find a ready market among the new comers. But I hear some one say, "No monarchy!" But is not monarchy better than anarchy? Is not existence in some shape, better than annihilation? No monarchy! and what is there so terrible in a monarchy? Have we not all lived under a monarchy far more despotic than that of France, or England, and were not our people happy under it? Have not the leading men among our agriculturists been bred beneath the royal rule of Spain, and have they been happier since the mock republic of Mexico has supplied its place? Nay, does not every man abhor the miserable abortion christened the Republic of Mexico, and look back with regret to the golden days of the Spanish monarchy? Let us restore that glorious era. Then may our people go quietly to their ranchos, and live there as of yore, leading a merry and thoughtless life, untroubled by politics or cares of State, sure of what is their own, and safe from the incursions of the Yankees, who would soon be forced to retreat into their own country."

Señor Vallejo, a native Californian, of high position and character, replied in substance as follows:

"I cannot, gentlemen, coincide in opinion with the military and civil functionaries who have advocated the cession of our country to France or England. It is most true that to rely any longer upon Mexico to govern and defend us, would be idle and absurd. To this extent I fully

agree with my distinguished colleagues. It is also true that we possess a noble country, every way calculated, from position and resources, to become great and powerful. For that very reason I would not have her a mere dependency upon a foreign monarchy, naturally alien, or at least indifferent to our interests and our welfare. \* \* \*

"Even could we tolerate the idea of dependence, ought we to go to distant Europe for a master? What possible sympathy could exist between us and a nation separated from us by two vast oceans? But waiving this insuperable objection, how could we endure to come under the dominion of a monarchy?—for although others speak lightly of a form of government, as a freeman, I cannot do so. We are republicans—badly governed and badly situated as we are—still we are all, in sentiment, republicans. So far as we are governed at all, we at least profess to be self-governed. Who then, that possesses true patriotism will consent to subject himself and his children to the caprices of a foreign king and his official minions? But it is asked, If we do not throw ourselves upon the protection of France or England, what *shall* we do? I do not come here to support the existing order of things, but I come prepared to propose instant and effective action to extricate our country from her present forlorn condition. My opinion is made up that we must persevere in throwing off the galling yoke of Mexico, and proclaim our independence of her forever. We have endured her official cormorants and her villainous soldiery until we can endure no longer. All will probably agree with me that we ought at once to rid ourselves of what may remain of Mexican domination. But some profess to doubt our ability to maintain our position. To my mind, there comes no doubt. Look at Texas, and see how long she withstood the power of united Mexico. The resources of Texas were not to be compared with ours, and she was much nearer to her enemy than we are. Our position is so remote, either by land or sea, that we are in no danger from a Mexican invasion. Why then, should we hesitate, still to assert our independence? We have indeed taken the first step, by electing our own governor, but another remains to be taken. I will mention it plain and distinctly: it is annexation to the United States. In contemplating this consummation of our destiny, I feel nothing but pleasure, and I ask you to share it. Discard old prejudices, disregard old customs, and prepare for the glorious change which awaits our country. Why should we shrink from incorporating ourselves with the happiest and freest nation in the world, destined soon to be the most wealthy and powerful? Why should we go abroad for protection when this great nation is our adjoining neighbor? When we join our fortunes to hers, we shall not become subjects, but fellow-citizens, possessing all the rights of the people of the United States, and choosing our own federal and local rulers. We shall have a stable government and just laws. California will grow strong and flourish, and her people will be prosperous, happy and free. Look not, therefore, with jealousy upon the hardy pioneers who scale our mountains and cultivate our unoccupied plains; but rather welcome them as brothers, who come to share with us a common destiny."



These sound views of Señor Vallejo were not adopted by the Junta, but the stand he took, led to its sudden adjournment; and the arrival soon afterward of the American squadron, settled the question of French or English annexation.

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At the close of the war with Mexico, the territory of Alta California was ceded to the United States by the treaty of Gaudalupe Hidalgo, which was ratified in May 1848. The magnificent domain thus formally transferred to us, lies between the parallels of 32° 50' and 42° north latitude, and 106° and 124° west longitude. The western coast for nine hundred and seventy miles is washed by the Pacific ocean. The majestic range of the Sierra Madre forms its eastern boundary. On the south runs the river Gila; and western Missouri, and the Oregon Territory, shut it in on the north. It has an area of four hundred and forty-eight thousand six hundred and ninety-one square miles, or two hundred and eighty-seven million one hundred and sixty-two thousand two hundred and forty acres of land. In other words, our territory of Upper California contains twelve hundred and two square miles more than the States of Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, Ohio, Indiana, Illinois, Michigan, Iowa and Wisconsin, all combined.\*

In continuing the description of this empire, the natural configuration of which is proportionate to its vast extent, it becomes necessary to treat of it in two divisions. Between the Rocky Mountains and the Sierra Nevada, lies an immense tract only partially explored, which has received the name of the Great Basin. It is some five hundred miles in diameter every way, and between four and five thousand feet above the level of the sea. Shut in upon all sides by mountains, and having a perfect system of lakes and rivers entirely unconnected with the ocean, its general character is that of desert but with great exceptions, there being many parts of it very fit for the residence of a civilized people.† Its interior mountains, abrupt and wooded, rise suddenly from a base of ten or twenty miles, to an elevation of seven to ten thousand feet

\* Accompanying the President's Message of December, 1848, is a map shewing the estimated surface of the Territories north and west of the organized States, and the portions of Territories thereof, north and south of the parallel of 39° 30' north latitude; with a table exhibiting the areas of the States and Territories in square miles and acres. In the table of Territory, exclusive of old Territory east of the Rocky Mountains, the area of California is estimated at four hundred and forty-eight thousand six hundred and ninety-one square miles; or two hundred and eighty-seven million one hundred and sixty-two thousand two hundred and forty acres. The whole area of the States enumerated in the text, is stated to be four hundred and forty-seven thousand four hundred and eighty-nine square miles, which leaves a surplus in favor of California of twelve hundred and two square miles. See President's Message, pp. 8 and 72 and map. Bryant, 275. See also California and Oregon, by Com. Wilkes, p. 19.

† I quote freely from Col. Frémont's Memoir in this description of the Great Basin; and avail myself throughout my paper of his graphic and reliable publication. The bold and scientific manner in which he conducts his explorations, and the forcible and elegant style in which he records the results of them, are equally remarkable.

above the level of the sea. In its bosom are a great number of lakes. The most important yet discovered are the Great Salt Lake, and the Utah Lake. The first of these is about seventy miles in length, and is remarkable for its saline qualities. The rocky shores of its islands are whitened by the spray which deposits salt upon every thing it touches. The shallow arms of the lake during the dry season, under a slight covering of water, present beds of salt extending for miles, and resembling softened ice, in which the horses sink to the fetlock. No fish or animal life of any kind, is found in its waters, and the larvæ upon the shores belong wholly to winged insects. The Utah is a fresh water lake, about thirty-five miles in length, nearly five thousand feet above the level of the sea, and fed by numerous streams from the neighboring mountains. Upon the western side of the Basin is the Pyramid Lake, also thirty-five miles in length, shut in by mountains and remarkable for its depth and clearness. To the southward along the base of the Sierra Nevada, is a long range of lakes, some of which are of considerable size.

The most important river of the Basin is Humboldt River, laid down upon some maps as Mary's or Ogden River. It rises in the mountains west of the Great Salt Lake, and runs westwardly along the northern side of the Basin, towards the Sierra Nevada. Bordered with a rich alluvial valley of its own creation, covered with beautiful grasses, and fringed with willow and cotton wood trees,—it sweeps through an otherwise sterile plain for three hundred miles without any affluents, until its waters, lessened by evaporation and absorption, lose themselves in a marshy lake within fifty miles of the Sierra Nevada. This river is likely to become very important in connection with the development of our commerce with the Pacific. It rises near the Great Salt Lake, in the vicinity of which is the Mormon settlement, daily growing in importance. It runs nearly east and west, in the direct line of travel to Oregon and California, and furnishes a level and unobstructed road, well supplied with wood and water, for three hundred miles. Its termination is opposite to the Pass of the Salmon Trout River, which at an elevation of less than three thousand six hundred feet above the level of the Basin, opens directly into the rich valley of the Sacramento, only forty miles north of Nueva Helvetia. The other principal rivers of the Basin are the Bear, Utah, Nicollett, and Salmon Trout Rivers, which are from one to two hundred miles in length. The Great Basin has not been sufficiently explored to justify any theory of climate, applicable to it in its whole extent. High above the sea, surrounded by snow-capped mountains, swept by the winds from the Pacific, which after depositing their moisture upon the slopes of the Sierra, blow piercing and cold over its plains; and with an immense evaporation constantly going on from its peculiar system of lakes, rivers and marshes, its dominant characteristics are cold and moisture. Notwithstanding these traits of climate, and its general desert character, Frémont believes that it may be made the home of civilized men, who will find in its arable parts, sufficient resources of subsistence and comfort.

West of the Sierra Nevada, and lying between it and the Pacific, is the division of California with which we are most familiar, and to which



the attention of the civilized world has lately been so forcibly attracted. The contrast which it presents to the region just described is very striking. The westward traveller, wearied with the sterility of the Great Basin, winds up some Pass, piercing the wall of separation, and from the heights of the Sierra Nevada looks down upon a scene of blended magnificence and beauty. The slopes of the mountain range, with a breadth of forty to seventy miles, and five hundred miles in length; heavily wooded with oak, pine, cypress and cedar; watered by innumerable streams, and opening into broad glens, stretch down into the valley with gradual and easy descent. At the base of the Sierra spread the fertile and picturesque valleys of the Sacramento and San Joaquin, watered by the confluent rivers which give them name, and rendered beautiful by diversified and luxuriant vegetation. Beyond these to the west, rises a mountain range two thousand feet in elevation, covered with lofty cypress, and sheltering between its ridges and the lower hills upon the coast, the lovely valley of San Juan, which is the garden spot of California. To the north-west, distinctly seen at a distance of one hundred and forty miles, the Shastle Peak rises fourteen thousand feet above the level of the sea. In the foreground is Monte Diavolo, beyond which the broad bay of San Francisco opens by a narrow pass into the Pacific.

One of the most important features of this division of California, is the Bay of San Francisco. It was discovered about 1768 by a party of Franciscan monks, who bestowed upon it the name of their patron saint. All writers unite in pronouncing it one of most splendid harbors in the world. It is completely land-locked, and sufficiently capacious to meet the requirements of the most extended commerce. Approaching from the sea, the coast presents a bold outline. On the south the bordering mountains come down in a narrow range of hills, against which the sea breaks heavily. On the northern side the ridge presents a bold promontory, rising in a few miles to a height of three thousand feet. Between these two points, with abrupt and lofty cliffs upon each side, is a narrow strait about one mile wide and five in length, with a depth of water in mid-channel of forty to forty-five fathoms, which forms the entrance into the bay. This is called *Chrysopolæ*, or the Golden Gate. Beyond this gate the Bay of San Francisco opens to the right and left, extending in each direction about thirty-five miles, having a total length of more than seventy miles, and an inland coast of two hundred and seventy-five in extent. Within, the view presented is of an interior lake of deep water lying between parallel ranges of mountains. Islands, some of them mere masses of rock, and others covered with grasses, and three to eight hundred feet in height, give its surface a picturesque appearance. It is divided, by projecting points and straits, into three separate bays. At its northern extremity is Whaler's Harbor, which communicates by a strait two miles in length, with the Bay of San Pablo, a circular basin ten miles in diameter; and this again at its north-eastern extremity by another strait of greater length connects with Suissun Bay, which is of nearly equal magnitude and form as that of San Pablo. Into Suissun Bay the confluent waters of the Sacramento and San Joaquin Rivers empty. By these rivers a direct communica-

tion is opened with the productive valleys which bear their names. The main Bay of San Francisco lies to the southward.\*

The town of San Francisco, or Yerba Buena, is situated on the west side of the bay, and on the northern point of the Peninsula which lies between the southern portion of the bay and the Pacific ocean. It is about four miles from the narrows or straits by which the bay is entered from the sea. The immediate site of the present town is an indentation or cove in the western shore of the bay, directly in front of which, and at a distance of about two miles, lies a large Island called Yerba Buena. From the water's edge the land rises gradually for more than half a mile, to the west and south-west, until it terminates in a range of hills five hundred feet in height at the back of the town. To the north of the town is an immense bluff (or rather three in one) more than five hundred feet high, which comes down to the water's edge, with precipitous sides of from twenty to one hundred feet in height. In front of this bluff is the best anchorage ground, the bottom being good and the high lands protecting vessels from the force of the westerly winds. Between this bluff and the above mentioned hill, there is a small and nearly level valley which connects with a smaller cove about a mile nearer the ocean. The bluff forms the north-western boundary of the cove, whilst the eastern boundary is another bluff, called the Rincon, near fifty feet in height. To the south and south-west of this last mentioned point there is a succession of low sand hills, covered with a dense growth of stunted trees peculiar to the country.†

In the development of California San Francisco will doubtless become a large and important city. Its position immediately upon the bay, will make it the port of the country. The direct communication with the interior valley, already open by the Carquinez Straits and the Sacramento and San Joaquin Rivers, furnishes a natural channel, through which supplies will flow into it. The surface of the country will admit of the construction at a moderate cost of rail roads into the interior, and an immense commerce will find in it a point of concentration. The increase of population, the presence of capital and the facilities offered for its profitable investment in agriculture and trade, combined with the attractions of a more uniform and delicious climate, will soon direct attention to other points which present many advantages as the sites of future cities. One of these is at the head of the Suissun Bay, at the debouchment of the Sacramento and San Joaquin Rivers; another is at or near the settlement of Captain Sutter, called Nueva Helvetia, and a third and most desirable location will be found in the rich valley south of San Francisco, in the vicinity of the Pueblo of San José.‡

\* Bryant, 323, 439. Forbes, 166. Life in Cal. 60, 215. Thornton's Oregon and California, 67, 68, 69. Frémont, 32. There are two other harbors upon the coast, Monterey and San Diego. San Diego is much less capacious than San Francisco, but is large enough to accommodate a considerable trade; and is esteemed a good and secure harbor. Monterey is an open roadstead, but is protected from the prevalent winds, and has heretofore been the chief resort of foreign shipping.—Forbes, 167.

† Thornton's Oregon and California, p. 72. The "California Star" of April 1, 1848, gives eight hundred as the white population of the town of San Francisco. The population, in February, 1849, was nearly 6,000.

‡ Since this paragraph was written, a friend has placed in my hands a California

The most important rivers of Maritime California are the Sacramento and San Joaquin.\* The San Joaquin rises in the Sierra Nevada, near the southern extremity of the valley. It is fed by many larger tributaries from the Sierra, and empties into the Bay of San Francisco after a course of about two hundred miles. It is navigable in some seasons during eight months of the year, and for a greater part of its length.† The chief tributaries of the San Joaquin are the Reyes, the Stanislaus, the Javalones, the Merced, and the Cosumnes Rivers. The Sacramento River rises above latitude 42° north, and runs from north to south, nearly parallel with the coast of the Pacific until it empties, after a course of about two hundred miles, into the Bay of San Francisco, in latitude 38½° north. It runs through an inclined alluvial prairie, and is described by all writers as a deep, broad and beautiful stream. This river is destined to become a very important feature in the development of the country. It communicates directly with the bay, flows through a very fertile region, and is already navigable for vessels of considerable draught, as high up as the settlements at Nueva Helvetia. Its principal tributaries are the Rio de los Americanos and the Rio de las Plumas.‡

The belt of country lying between the Sierra Nevada and the sea, is called Maritime California. It extends north and south, ten degrees of latitude, from the Peninsula to Oregon. Its average breadth is from one hundred and fifty to two hundred miles; and its superficial area is one hundred thousand square miles, or sixty-four million acres, which is equal to the area in square miles of the States of New York, Pennsylvania and Massachusetts combined.¶

The valley of the Sacramento, although discriminated by the names of the two principal rivers, is a single geographical formation, about five hundred miles in length, and sixty broad, lying at the western base of the Sierra and the coast range of mountains, and stretching across the head of the Bay of San Francisco, with which it is connected by a delta of twenty-five miles.§ Opposite the head of the Bay of San Francisco and at the point where the Sacramento and San Joaquin River debouche, occurs the only break or gap in the range of mountains which forms the western boundary of the great valley, and (according to Frémont's map,)

newspaper, in which I find an account of a city already laid out at the Straits of Carquinez. It is called Benecia city. These straits unite the bays of Suissun and San Pablo.

\* Bryant, p. 276. Frémont, p. 21. There are one or more lakes of considerable size in the southern part of the valley, with which this river connects at high water. They are variously named and described as the Tulare Lake, Buena Vista, Chintache, and Tula Lake.—Wilkes and Dr. Marsh speak of two lakes—Frémont of *the Tulare Lakes*. Bryant, 276. Wilkes, 29. Frémont, 15, 18, 21.

† The largest river in Upper California is the Colorado, or Red River, which, after a course of a thousand miles, empties into the Gulf of California about 32° north. It rises in and flows through a region very little known. Green, Grand, Sevier and Virgin Rivers are its chief known tributaries. The Gila is its main branch, and pours into it near its mouth.

‡ Bryant, 271, 344. Wilkes, 27. Mr. Revere, p. 69, says that it is navigable for steamboats at all seasons, as high as the Buttes, an isolated mountain ridge a little above the 39th parallel. Revere, 69. Frémont's Memoir, 27.

¶ See the table of estimated areas of Territories and States, accompanying the President's Message of December 5, 1848. Frémont's Memoir, p. 13.

§ Frémont's Memoir, p. 15.

run from the Oregon line to the 34th parallel, at an average elevation of two thousand feet.\* The portion of the valley which lies south-east of this point is called the valley of the San Joaquin. It is about three hundred miles long, and sixty broad, and presents a variety of soil, from dry and unproductive to well watered and luxuriantly fertile. Upon the eastern side, it is intersected by numerous streams from the Sierra which form large and beautiful bottoms of rich land, wooded principally with white oak in open groves of trees, often six feet in diameter and sixty to eighty high. The larger streams only pass entirely across the valley.† The low, or foot hills, of the Sierra Nevada, which limit the valley, make a woodland country, well watered and diversified. This section of the valley is well adapted to the cultivation of the grape, and will probably become the principal vine growing region of California. The rolling surface of the hills presents many sunny exposures, sheltered from the winds, and having a soil and climate highly favorable to this purpose. The vine thrives in California in an extraordinary manner. It is already cultivated to a considerable extent, and the wine produced is of very excellent quality. Intelligent cultivation alone seems needed to make both wine and brandy in quantities sufficient both for consumption and exportation.‡ The uplands bordering the valleys of the larger streams are wooded with evergreen oaks, and the intervening plains are timbered with the same tree, among prairie and open land. The surface is level, plain and undulating or rolling ground. The soil is rich, and admirably adapted to the cultivation of wheat, which yields enormous crops. The grasses are various and luxuriant; and oats grow wild, covering large tracts with a dense growth frequently as high as the head of a man mounted upon horseback.

Around the southern arm of the Bay of San Francisco, a low alluvial bottom land, with occasional woods of oak, borders the western foot of the mountain ranges, terminating on a breadth of thirty miles in the valley of San José. This valley, in connection with that of San Juan, forms a continuous plain fifty-five miles in length, and one mile to twenty in breadth, opening into smaller valleys among the hills. Shut in between the coast range and the lower hills upon the sea—with a soil of singular fertility, a pure and dry atmosphere, and a soft and delicious climate;—this valley, opening directly upon the Bay of San Francisco, appears to unite more inducements to settlement than any other portion of California. It is wooded with majestic trees, covered with the richest grasses, brilliant with an endless variety of wild flowers, produces in profusion the fruits of the temperate and tropical zones, and breaks into secluded glens and wild recesses among the hills. All the tourists speak of it as a most attractive and beautiful spot.¶

North of the Bay of San Francisco, between the Sacramento valley and the coast, the country is cut into mountain ridges and rolling hills, with many fertile and watered valleys. In the interior it is gene-

\* See Revere, p. 52, for a theory of the volcanic origin of this gap, stated upon the authority of General Vallejo.

† Frémont's Memoir, pp. 15, 16.

‡ Frémont's Memoir, 16. Bryant, 277, 412. Forbes, 264. Revere, 282.

¶ Frémont's Memoir, 33, 34. Bryant, 316.

rally well wooded with oak ; and, immediately along the coast, it presents open prairie land lying among heavily timbered forests, and frequently covered for miles with a dense growth of wild oats. To the eastward of this tract, and intermediate between the coast range and the Sierra Nevada, stretches from the head of the Sacramento and San Joaquin Rivers to the mountains upon the forty-first parallel, that division of the country which is called the valley of the Sacramento. It is about two hundred miles long and sixty wide, watered by the Rio Sacramento and its affluents. It presents a diversity of heavily wooded plateaux, rich prairie land, fertile slopes, alluvial bottoms and strips of yellow gravelly soil. Many parts of it are well adapted to grazing, and its general character fits it in an eminent degree for the cultivation of wheat.\*

Upon the forty-first parallel, in a fork of the Sierra Nevada, is a tract of high table land, about one hundred miles in length, surrounded on all sides by mountains, which is called by Frémont the Upper Valley of the Sacramento. It is heavily timbered, and its climate and productions are greatly modified by its altitude and more northern position. The Sacramento River which rises in the mountains at its northern extremity, reaches the lower valley through a *cañon* on the line of Shastle Peak, falling two thousand feet in twenty miles.†

The climate of California, as a necessary result of the configuration and extent of the country, presents marked contrasts in the different divisions which have been described. With reference to the whole country, the year may be divided into the wet season and the dry. The wet season begins in November, and terminates in April. During this period the rain does not fall continuously, and frequent intervals of clear and beautiful weather occur for many days in succession. Rain sometimes falls without intermission for eight or ten days, followed by spells of sunshine ; and frequently the weather is fine until the afternoon, when the clouds gather. The rain during this season is not continuously steady and violent, but warm and often drizzling. Usually from May until November no rain falls. There are exceptions, however, for rain sometimes descends in August. Apart from the mere physical discomfort, the sense of which is soon lost, the wet season is healthy and delightful, and during its continuance the country wears its most beautiful aspect. With the first rains in November, the grass, clover and wild oats spring up spontaneously ; the trees are clothed with fresh foliage, the flowers display their rich colors, the comparatively arid soil is covered with diversified vegetation, and by Christmas the land in its broad extent is green and beautiful. Upon the coast and the shore of the bay, the climate is cooler and less agreeable than in the interior. This is owing to the north-west winds which frequently bring with them dense fogs which are cold relatively to the mean temperature. These fogs, however, are not of that raw and piercing kind that affect the constitution. They bear no seeds of disease. These characteristics of climate are perhaps more marked at San Francisco than at any other point, and the experience of nearly a century affords conclusive evidence that they do not injuriously affect health.

\* Frémont's Memoir, 25.      † Frémont's Memoir, 25, 26, and accompanying map.

It is seldom cold enough in the settled portions of California to congeal water. Snow rarely falls in the valleys, and the thermometer seldom sinks below 50° or rises above 80°.\* In the great valley bordering upon the lower slopes of the Sierra, the climate is peculiarly delightful. There are no prevailing diseases in the country, and the extremes of heat in the summer are checked by sea breezes during the day, and by light airs from the Sierra during the night. The climate generally resembles that of Italy, and its characteristics are salubrity and a regulated mildness.†

Having thus given a general view of the history and geographical features of California, I proceed to consider the resources of the country with a view to establish the hypothesis of its future national greatness. Prominent among these resources is the immense deposit of gold. "The indications of its presence," says Senator Benton, "extend over an area of more than two thousand miles. They are in New Mexico—on the waters of the Middle Colorado—on the mountains both beyond and on this side of the Sierra Nevada. Professor Dana, who was geologist to Captain Wilkes's exploring expedition, and who examined the country between the coast range and the Cascade range of mountains, found the gold-bearing rocks, as geologists call them, on the Umpqua, the Shastl, and the Tlainath rivers, and at the head of the Sacramento valley. He did not visit the Sierra Nevada, but said there was gold yet to be dis-

\* Bryant, 273, 326, 385 to 394, 451. Forbes, 163, 170, 312. Hughes's California, 32. Frémont's Memoir, 35, 36, 40, 43. President's Message, Dec. 1848, p. 46.

The past winter has been one of almost unprecedented severity. Snow has fallen to considerable depth, and ice has been formed in the vicinity of Captain Sutter's Fort, two or three inches in thickness. No such weather has been known in California since the winter of 1823-4, which also formed an exception to the general climate.

Some idea of the climate of California may be found by the following meteorological items derived by the N. Y. Herald tables of the weather and thermometer at Monterey, kept by Talbot H. Greene, Esq., a merchant, at Monterey, during the space of a year, viz: from March, 1845, to February, 1846.

In March, 1845, the thermometer averaged 65 at noon. There was no rain; the sky generally clear.

In April, same degree of heat; five rainy days, four foggy, the others clear.

In May, the thermometer at noon never rose higher than 64, and never fell lower than 58; weather clear.

In June, the highest noonday heat was 73; the lowest 60; weather clear.

In July, the highest heat at noon, 74; lowest 60; clear skies.

In August, greatest heat at noon, 72; lowest 63; clear skies.

In September, greatest heat at noon, 73; lowest 61; clear skies, occasional fogs at eight in the morning; rain once only.

In October, greatest heat at noon, 70; lowest 59; fogs in the morning, days clear; rain three times within the month—a little rain in the night on two occasions.

In November, greatest heat, 76; lowest 60; weather generally clear; rains in the night occasionally.

In December, greatest heat, 66; lowest 57; clear weather; rain on four different nights this month.

In January, 1846, greatest heat, 62; lowest 48; more rain this month than the former months.

In February, 1846, average heat at noon, 62; lowest 50; clear skies; rain on three different nights.

† Frémont, 14, 43.

covered in the Sacramento valley. It has been discovered, and no one can tell where it is to end. The Sierra Nevada is six hundred miles long, ten or twelve thousand feet high, and has a slope of from forty to seventy miles; and all this seems to be an auriferous region. South of the Sierra Nevada are prolongations of the same chain and of the same character, and known to possess gold. The Ural mountains, now yielding so much gold to Russia, are but twelve hundred miles long and five or six thousand feet high: the mountain chains in New Mexico and California which produce gold are near twice as long and twice as high as the Ural mountains." Silver also abounds in California, and several mines of great richness have recently been opened. Cinnebar, platinum, lead, iron, copper and sulphur all exist apparently in large quantities.\*

This wonderful mineral wealth will no doubt, at first, produce much licentiousness and difficulty. It is, however, of vast importance collaterally considered. It matters little upon what grand scale nature may have bestowed upon a country the advantages of physical configuration and geographical position; *development* must precede greatness, and to development certain elements and impulses are absolutely essential. The most indispensable of these is population. Population having been attracted, inducements to its permanence, activity and increase must present themselves. These are the supply of the necessary food, the existence of the essentials of physical comfort, the opportunities of acquiring wealth; and, in proportion to the extent to which these inducements exist in a given region, population will flow into it. The moral force of population,—its ability to work out great results,—must be deduced from the original character of the emigrating people, and the nature and extent of the advantages presented. Fertility of soil alone has in some cases induced emigration, and agriculture has founded states. Geographical position has attracted it, and commerce has built up nations. The presence of the precious metals has secured it, and mineral wealth has bought development. In the case of some states these elements are found combined. Brazil, for example, has fertile soil, mineral wealth, and commercial advantages; but the influences of climate, the character of the population and political institutions, check the full development of natural resources. Mexico also possesses the precious metals in connection with a productive soil and ports upon two oceans, but similar causes have there operated with like results. Never before, however, in the history of the world, have we found a country presenting in a higher degree than California, the combined inducements, of advantageous commercial position, fertility of soil, and mineral wealth. The climate of California is also highly favorable to development. Let us enquire into the character of the people who are to control these elements of greatness.

The emigration now pouring into the country is of a mixed character. From the United States, from England, Germany, France, Mexico, South America and the Islands of the Pacific,—the World is contributing to people it; and it is fitting the world should, for its greatness will be

\* Bryant, 451. President's Message, Dec. 5, 1848, pp. 10, 63. Wilkes, 37. "California Star," April 1, 1848. Speech of Senator Benton, January 15, 1849



cosmopolitan. Comparatively, however, this can occur only to a limited extent, and will exert no influence, for it is undeniable that to the people of the United States are committed the destinies of California. What are the characteristic traits of this people?—Vigor of intellect,—quickness of perception,—keenness of appreciation,—energy of action,—untiring industry,—indomitable perseverance,—physical strength,—*the necessity of progress*,—not as a means, but as a natural law, imperative upon the individual man, and the aggregate community. These people also take with them the habit of freedom, and the forms, the energies and the advantages of republican institutions.

When population is once secured, it becomes necessary to ascertain how far the country is able to support it, for very much in proportion that a State is self-sustained, will it reach solid greatness. In the case of California it is wholly impossible to state this exactly, but we have abundant data to justify an approximate estimate sufficiently correct for the purposes of this Paper. It has already been shewn that Maratime California, the only portion of the country to which we will look in this estimate of supplies; is about one hundred thousand square miles in extent, which is equal to a superficial area of sixty-four million acres.\* This belt of country is intersected by two mountain ranges, and contains in its bosom several lakes of moderate size, five or six considerable rivers, and some marshy and sterile land. The lower slopes of these mountains, however, and the valleys opening into them, are well adapted to agriculture and grazing, and it is believed that much of the marshy districts can be made to produce rice. We will allow five-sixths of the whole area, or fifty-three million three hundred and thirty-three thousand three hundred and thirty acres, for the proportion of superficies thus occupied; so that upon a very moderate and fair estimate, we have one-sixth, or ten million six hundred and sixty-six thousand six hundred and sixty-six acres of cultivable land.

All the authorities agree in pronouncing the country admirably adapted to the cultivation of wheat. Its latitudinal position, and the results of the existing imperfect system of agriculture, verify these statements. There would seem to be few points in the great valley where the cereal grains could not be produced abundantly, and the crops of wheat wherever it has been grown, range from fifty to eighty bushels to the acre.† This yield, however, is from a virgin soil, and it is proper to make some allowance for the exhaustion which may result from regular and continuous tillage, and we will therefore calculate only twenty bushels per acre as the average yield. We will assume that one-third of the estimated cultivable land, or three million five hundred and fifty-five thousand five hundred and fifty-five acres will produce an average of twenty bushels of wheat to the acre. This will give an annual yield of seventy-one million one hundred and eleven thousand one hundred bushels, which is equal to five bushels to each individual of an aggregate population of over fourteen millions. The cultivation of another third of this sixth, in Indian corn, yielding also an average of twenty bushels to the acre; would give five bushels of corn for each individual

\* Frémont, 13. † Frémont, 15 to 43. Bryant, 448. Forbes, 256 to 264. Thornton, vol. ii, 86, 88. Life in Cal. 61.

of this estimated population, while the potatoes, beans, peas and other vegetables and fruits, raised upon the remaining third, would, in connection with the animal food consumed, furnish an ample allowance for the sustenance of each individual of this population for one year. In consideration of the immense margin of over fifty-three million acres left for mountain ranges and water, no deduction has been made from the yield of this one-sixth for the amount of grain necessary for seed, and the consumption of cattle, neither is any reference had, in this connection, to supplies for export. The cultivation of a small portion of the reserved five-sixths will fully supply these wants. As population increases in the country, and manufactures and commerce are developed, the results of agricultural labor will be enlarged; while the ability of the country to feed its inhabitants will be increased and facilitated by the growth of cities and the greater density of population.\* The supply of animal food in the country will be found to be immensely large. Game abounds in the woods in great variety and excellence. The rivers, lakes and bays are full of the finest fish, while the number of horned cattle can be increased to an indefinite extent. A very large part of the reserved five-sixths consists of excellent grazing and pasturage lands, and as hides, tallow and jerked beef will form important articles of export, much attention will be given to the increase of horned cattle.† The adaptation of California to the breeding of sheep, will make wool an important item of export and manufacture, and the supply of animal food from this source will be incalculably enlarged.‡

The next question to be considered is the probable permanence of population. The great majority of the emigrants now seeking California are undoubtedly attracted by the mineral wealth of the country. A large proportion of this class are unfitted by their habits of life and

\* Say's Political Economy, 383.

† Before the secularization of the missions, the horned cattle were innumerable. When these establishments were broken up, the cattle were slaughtered in immense numbers. Thousands have also been slaughtered for their hides alone. In 1831, the number of horned cattle in the possession of individuals amounted to 500,000—of sheep, goats and pigs, 321,000—*Bryant*, 445.

‡ Forbes, 278.

The estimate in the text largely over-feeds the population, and the statement is purposely made a very moderate one. No individual could consume five bushels of wheat and five bushels of corn, together with meat and vegetables. Calculated according to the fixed principles regulating supply and consumption, the estimate would stand thus:

1-3d of the 1-6th or 3,555,555 acres in wheat, at 20 bushels to the acre, gives 71,111,100 bushels, which in the ratio of  $4\frac{1}{2}$  bushels to each individual, furnishes the requisite supply for a population of 15,802,466. The average yield of corn per acre is also understated. It would be more correct to assume 35 bushels to the acre—which, supposing another third of the sixth, or 3,555,555 acres to be cultivated in corn, would give 124,444,425 bushels, or 5 bushels of corn to each individual of an aggregate population of 24,888,885. Thus assuming that the supplies of animal and vegetable food will be sufficiently large, we provide for the wants of a population of forty millions. See Patent Office Report for 1847, pp. 107, 549. Also in connection with the density of population, and its distribution to the square mile, see a very full article in the *American Review* of April, 1845, pp. 424 to 432. See also Humboldt's *Essai Politique sur le Royaume de la Nouvelle-Espagne*, 3 vol. p. 95.

want of physical strength to engage for any protracted time in the arduous occupation of mining. It is probable, moreover, that before many years elapse, the large deposits of gold will be exhausted, although the mineral will be found scattered over an immense surface of country in the form of scales and dust. This supposition is consistent with the general theory of the formation of gold, and has been the history of nearly all auriferous regions. A great number of those who have gone and are on their way to California, however, have fixed purposes of life, irrespective of the digging of gold; and but little reflection will be necessary to satisfy the intelligent man, that by a thousand channels, and as a consequence of as many causes, the gold will speedily find its way from the possession of the original digger into the lap of enterprise, shrewdness and labor. When the precious metals have once attracted population, the sooner they are exhausted the better. A very small proportion of those who engage in mining, will realise enough to satisfy their expectations or their cupidity, while it is probable that thousands will amass a very respectable capital. The country itself will present the most tempting opportunities for the profitable use of this capital, and a great proportion of it will at once be invested in agriculture, manufactures and trade. The beauty of the country, and the salubrious and delightful character of its climate, will also exert a great influence in fixing population.

The great commercial advantages which California possesses will perhaps constitute the strongest inducements to permanent settlement, while their development will form one of the most important elements of future greatness. The geographical position of the country is eminently favorable to commerce. The harbors upon the coast, and especially that of San Francisco, are well located and capacious enough to meet the requirements of the most extended trade. The country is capable of supporting the requisite population. The materials for the construction of a navy exist in great abundance.\* The ship timber upon the Upper Sacramento is represented as being of a superior quality. The mountain ranges are covered with pine trees. Hemp can be cultivated upon the numerous water-courses. Cotton may perhaps be raised in the San Joaquin Valley, or easily supplied from the United States; and iron and copper and coal have already been discovered.† The mountain streams will supply water-power for mills and factories. The precious metals and minerals; the productions and manufactures of the country, together with supplies received in exchange from the Union, will provide articles of export; and when the spirit of commercial enterprise is prepared to avail itself of all these advantages, a vast field of exterior trade is open before it. Across the Sierra Nevada, lies this immense Republic, overflowing with natural productions, and the results of labor and art; to the north, the great Oregon Territory with its yet undeveloped wealth; to the south, Mexico and the American Continent; while the Pacific Ocean, with its whales, (the trade in which will find in California a point

\* President's Message of Dec. 5, 1848.

† Forbes, 349, 350.

Immense supplies of coal exist also on Vancouver's Island, and on the main land about the upper tributaries of the Columbia River.—*California Star*, April 1, 1848.

of concentration,) offers a short and direct route to the Islands and Empires of the east. The Ladrones and Phillipines, Borneo, Sumatra, Java, the clusters of the Indian Ocean, Japan, China, Burmah, Hindustan, with their various productions and accumulated wealth, unfold resources which are wholly inappreciable from their extent and richness. In the development of these resources, steam will be a powerful agent of commerce. With a continuous line of rail roads connecting the two oceans, and steam-ships traversing the Pacific, California will become the recipient and highway of the Oriental trade. The rich commerce of Asia will flow through her centre. "And where has that commerce ever flowed without carrying wealth and dominion with it? Look at its ancient channels, and the cities which it raised into kingdoms, and the populations which upon its treasures became resplendent in science, learning and the arts. Tyre, Sidon, Balbec, Palmyra, Alexandria, among its ancient emporiums, attest the power of this commerce to enrich, to aggrandize, and to enlighten nations. Constantinople, in the middle ages, and in the time of the crusades, was the wonder of western Europe; and all, because she was then a thoroughfare of Asiatic commerce. Genoa and Venice, mere cities, in later time, became the match of kingdoms, and the envy of Kings, from the mere divided streams of this trade of which they became the thoroughfare. Lisbon had her great day, and Portugal her pre-eminence during the little while that the discovery of the Cape of Good Hope put her in communication with the east. Amsterdam, the city of a little territory rescued from the sea, and the Seven United Provinces, not equal in extent to one of our lesser States, became great in arms, in letters, in wealth and in power; and all upon the East India trade. And London, what makes her the commercial mistress of the world—what makes an island no larger than one of our first class States—the mistress of possessions in the four quarters of the Globe—a match for half of Europe—and dominant in Asia? What makes all this, or contributes most to make it, but this same Asiatic trade? In no instance has it failed to carry the nation, or the people which possessed it, to the highest pinnacle of wealth and power, and with it the highest attainments of letters, arts, and sciences."\*

Society in California is in a transition state. Peculiar influences operate there to develop in an unusual degree the traits inseparable from incipient organization. The abundance of the precious metals will exert for some time a deleterious influence upon society. The great conservative principle however is there, and property will provide protection. Law will correct licentiousness. Already a provisional government is about to be established, and no very long time can reasonably be expected to elapse, before the social elements will become purified and settled.

The design of this Paper has been to exhibit as fully as its limits would permit, *the History and Capacities of California*. Where opinions have been expressed, they have been based upon sufficient data. Its statements have been well considered; its facts carefully collated, and its calculations made in accordance with settled principles. The

\* Senator Benton's speech in support of a national road to the Pacific, delivered February 7, 1849.

subject itself is full of importance, and would reward a much more extended investigation.

The century in which we live has been crowded with great events, Development has been its characteristic. Progress has been its watchword. Science has achieved in it her brightest triumphs. The resources of nations have been multiplied. The field of human energy has been enlarged, and among the greatest of the events which will mark the epoch in the estimation of the future historian, will be the consolidation of the first Anglo-Saxon Empire upon the borders of the Pacific.

*Baltimore, Md., March, 1849.*

## BANK STATISTICS.

*Comparative View of the Condition of the Banks of Pennsylvania,  
November, 1845, 1846, 1847, and 1848.*

[Compiled for the Bankers' Magazine from the Official Reports  
to the Legislature.]

RESOURCES.	1845.	1846.	1847.	1848.
Bills Discounted, . . . .	\$27,102,507	\$28,186,285	\$32,152,451	\$28,001,130
Specie and Treasury Notes, . . . .	5,902,230	5,796,192	7,362,659	6,801,078
Bank Balances, . . . . .	2,676,333	2,826,886	3,993,740	2,953,176
Bank Notes and Checks, . . . . .	2,126,505	2,316,312	3,060,730	2,367,118
Real Estate, . . . . .	1,469,997	1,765,266	1,104,375	1,158,196
Bonds, Mortgages, &c. . . . .	1,206,972	1,302,912	1,333,726	1,145,690
Stocks, . . . . .	2,368,078	2,422,475	2,300,012	2,395,462
Exchange, &c. . . . .	710,238	585,842	1,069,635	906,795
Expenses, . . . . .	65,503	33,775	98,217	31,284
Post Notes, . . . . .	3,200,054	928,897	628,955	280,182
Loans, . . . . .	2,234,398	2,182,943	1,949,648	1,316,436
Miscellaneous, . . . . .	969,330	4,912,926	4,885,082	4,092,834
<b>Total Resources, . . . .</b>	<b>\$49,934,140</b>	<b>\$53,260,711</b>	<b>\$59,959,230</b>	<b>\$51,449,381</b>

LIABILITIES.	1845.	1846.	1847.	1848.
Capital, . . . . .	\$16,154,600	\$20,994,724	\$21,585,760	\$21,462,570
Circulation, . . . . .	10,107,188	10,681,465	13,737,597	9,992,894
Bank Balances, . . . . .	3,307,130	3,426,662	4,338,073	3,382,418
Deposits, . . . . .	13,748,242	13,171,580	15,009,370	12,845,904
Contingent Fund, . . . . .	1,887,640	2,528,533	1,893,329	1,435,703
Discounts, . . . . .	563,417	304,060	704,560	243,350
Profit and Loss, . . . . .	304,988	674,566	478,998	569,480
State Deposits, . . . . .	56,434	190,746	467,960	361,068
Relief Circulation, . . . . .	416,029	548,626	640,381	36,606
U. S. Deposits, . . . . .	665,150	100,958	.....	.....
Miscellaneous, . . . . .	2,481,160	200,918	811,047	454,027
Suspense Account, . . . . .	42,213	23,714	19,146	318,784
Dividends Unpaid, . . . . .	229,950	414,158	273,009	346,277
<b>Total Liabilities, . . . .</b>	<b>\$49,934,140</b>	<b>\$53,260,711</b>	<b>\$59,959,230</b>	<b>\$51,449,381</b>

## CONDITION OF THE BANKS OF PENNSYLVANIA.—NOVEMBER, 1848.

RESOURCES OF THE BANKS.	Bills Discounted.	Specie and Treasury Notes.	Due by Banks.	Notes and Checks of other Banks.	Real Estate and Personal.	Bonds and Mortgages.	Stocks.
Bank of Pennsylvania, . . . . .	\$2,171,780	\$283,986	\$110,429	\$369,084	\$100,233	\$178,863	\$239,940
Philadelphia Bank, . . . . .	2,353,377	547,464	431,928	329,962	77,180	13,525	129,966
Bank of North America, . . . . .	1,947,055	550,410	85,182	18,651	57,932	.....	66,325
Commercial Bank of Pennsylvania, . . . . .	1,397,365	220,373	21,191	100,625	75,939	7,000	184,720
Farmers and Mechanics Bank, . . . . .	1,691,432	426,739	164,028	360,043	72,962	82,830	159,200
Girard Bank, . . . . .	664,943	918,960	85,589	.....	.....	.....	182,160
Southwark Bank, . . . . .	527,475	198,561	33,154	140,811	23,448	.....	20,360
Bank of Commerce, . . . . .	543,376	243,592	38,817	367	11,000	.....	615
Mechanics Bank of Philadelphia, . . . . .	1,147,667	326,725	104,210	.....	74,414	2,800	225,068
Western Bank of Philadelphia, . . . . .	988,075	189,299	33,797	123,901	25,000	13,100	958
Bank of the Northern Liberties, . . . . .	792,039	128,370	128,490	107,431	17,857	2,150	190,209
Bank of Penn Township, . . . . .	611,788	214,392	53,682	6,500	24,005	5,150	28,791
Manufacturers and Mechanics Bank, . . . . .	609,564	122,509	31,782	.....	32,081	.....	10,563
Kensington Bank, . . . . .	538,456	140,285	7,966	23,833	15,835	.....	6,692
Bank of Germantown, . . . . .	186,076	22,420	13,954	6,963	35,120	14,205	3,560
Bank of Delaware County, . . . . .	196,728	79,170	17,825	4,896	4,000	81,871	.....
Bank of Chester County, . . . . .	355,100	65,447	30,591	17,706	28,250	.....	27,380
Farmers Bank of Bucks County, . . . . .	129,126	21,131	6,545	10,396	8,061	.....	6,210
Doylestown Bank of Bucks County, . . . . .	121,322	47,492	18,873	.....	8,707	.....	342
Easton Bank, . . . . .	641,016	155,831	70,177	16,855	11,040	74,953	37,426
Miners Bank of Pottsville, . . . . .	389,473	26,688	73,033	24,339	51,663	75,039	18,205
Farmers Bank of Schuylkill County, . . . . .	151,692	19,870	85,398	16,510	6,409	.....	.....
Bank of Montgomery County, . . . . .	395,435	85,923	18,665	2,643	8,950	37,491	31,374
Lebanon Bank, . . . . .	149,605	45,872	90,434	2,527	582	.....	3,360
Farmers Bank of Reading, . . . . .	521,878	105,445	22,641	16,448	34,174	17,196	111,980

*Bank Statistics.*

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Lancaster Bank, . . . . .	857,499	139,699	11,275	79,461	21,785	83,050	14,517
Lancaster County Bank, . . . . .	351,384	64,177	1,857	58,697	8,503	11,385	.....
Columbia Bank and Bridge Company, . . . . .	156,415	42,096	13,511	27,338	7,000	.....	241,200
York Bank, . . . . .	485,301	91,006	21,111	23,151	4,562	.....	3,600
Bank of Gettysburg, . . . . .	111,129	46,128	5,832	5,435	21,979	71,133	35,985
Bank of Chambersburg, . . . . .	233,678	33,578	46,344	5,149	26,894	78,105	64,550
Harrisburg Bank, . . . . .	370,185	63,017	113,059	11,380	42,729	79,684	85,976
Bank of Middletown, . . . . .	176,467	65,240	25,517	12,956	10,784	14,000	15,318
Bank of Northumberland, . . . . .	302,436	48,431	56,694	22,356	10,866	19,667	46,998
Wyoming Bank of Wilkesbarre, . . . . .	167,182	7,466	28,236	2,734	2,554	.....	18,044
Bank of Susquehanna County, . . . . .	108,401	3,655	25,799	8,745	1,339	.....	28,966
Honesdale Bank, . . . . .	138,178	51,470	86,511	180,325	2,620	.....	1,200
West Branch Bank, . . . . .	149,003	14,373	17,436	11,765	6,974	75,413	.....
Bank of Pittsburgh, . . . . .	1,603,991	248,133	299,944	56,179	52,930	9,546	1,476
Exchange Bank of Pittsburgh, . . . . .	866,535	162,086	109,878	78,700	65,118	.....	.....
Merchants and Manufacturers Bank, . . . . .	825,788	92,185	129,272	31,688	23,077	28,200	42,143
Monongahela Bank of Brownsville, . . . . .	216,764	133,062	29,187	20,004	5,792	797	12,923
Farmers and Drivers, Waynesburg, . . . . .	229,807	31,863	73,004	17,176	3,251	25,925	11,750
Franklin Bank of Washington, . . . . .	224,508	74,750	10,816	28,411	3,406	13,474	.....
Dauphin Deposit Bank, . . . . .	306,696	54,491	45,701	.....	5,000	.....	.....
Farmers Deposit Bank of Pittsburgh, . . . . .	200,652	36,656	491	.....	.....	.....	.....
Lancaster Savings Institution, . . . . .	138,637	9,241	.....	.....	10,175	6,996	2,646
York Savings Institution, . . . . .	126,565	7,447	3,974	.....	.....	.....	.....
Hanover Saving Fund Society, . . . . .	78,382	4,107	.....	45	.....	.....	.....
Farmers Bank of Lancaster, . . . . .	311,653	36,261	14,633	23,511	6,000	22,131	82,886
Carlisle Deposit Bank, . . . . .	46,523	4,592	4,695	11,506	.....	.....	.....
<b>Total, 51 Banks, . . . . .</b>	<b>\$28,001,130</b>	<b>\$6,801,078</b>	<b>\$2,953,176</b>	<b>\$2,367,117</b>	<b>\$1,158,195</b>	<b>\$1,145,639</b>	<b>\$2,395,461</b>



## CONDITION OF THE BANKS OF PENNSYLVANIA.—NOVEMBER, 1848.

LIABILITIES OF THE BANKS.	Capital Stock.	Circulation.	Due other Banks.	Deposits.	Dividends Unpaid.	Contingent Fund.	Discounts.
Bank of Pennsylvania, . . . . .	\$1,562,500	\$369,031	\$303,830	\$625,164	\$6,760	.....	\$47,654
Philadelphia Bank, . . . . .	1,150,000	393,143	804,297	1,203,661	42,176	\$254,561	9,074
Bank of North America, . . . . .	1,000,000	391,211	416,138	1,157,620	.....	.....	46,723
Commercial Bank of Pennsylvania, . . . . .	1,000,000	178,405	163,507	593,798	26,780	149,637	876
Farmers and Mechanics Bank, . . . . .	1,250,000	443,703	396,939	1,249,292	34,192	.....	1,351
Girard Bank, . . . . .	5,000,000	304,640	131,925	402,995	.....	.....	653
Southwark Bank, . . . . .	250,000	177,155	215,455	399,463	13,467	.....	139
Bank of Commerce, . . . . .	250,000	147,700	12,315	407,773	3,428	14,223	391
Mechanics Bank of Philadelphia, . . . . .	800,000	256,361	140,079	508,166	20,129	200,000	1,181
Western Bank of Philadelphia, . . . . .	318,600	161,680	67,207	648,644	12,217	65,335	447
Bank of the Northern Liberties, . . . . .	350,000	224,732	101,529	609,572	1,264	50,000	504
Bank of Penn Township, . . . . .	225,000	177,755	109,225	402,338	8,537	59,225	411
Manufacturers and Mechanics Bank, . . . . .	300,000	178,315	59,633	231,884	7,903	46,018	331
Kensington Bank, . . . . .	250,000	129,602	26,394	320,108	12,946	43,551	331
Bank of Germantown, . . . . .	142,050	61,604	2,068	96,413	5,710	14,909	96
Bank of Delaware County, . . . . .	155,640	87,706	2,054	123,575	6,594	.....	.....
Bank of Chester County, . . . . .	225,000	186,904	29,322	141,430	604	17,178	9,328
Farmers Bank of Bucks County, . . . . .	92,320	69,231	14,790	37,026	1,499	.....	552
Doylestown Bank of Bucks County, . . . . .	60,000	83,390	1,797	50,963	1,912	3,238	132
Easton Bank, . . . . .	400,000	528,965	14,649	141,945	28,360	.....	1,197
Miners Bank of Pottsville, . . . . .	199,920	265,460	33,721	114,219	8,389	36,804	779
Farmers Bank of Schuylkill County, . . . . .	100,000	151,070	2,194	90,007	.....	5,094	189
Bank of Montgomery County, . . . . .	276,115	144,804	23,239	128,225	10,066	45,502	803
Lebanon Bank, . . . . .	70,280	172,015	1,751	36,916	4,016	6,483	103
Farmers Bank of Reading, . . . . .	300,360	363,055	23,237	137,902	4,781	6,106	918

<i>Bank Statistics.</i>										677
Lancaster Bank, . . . . .	300,230	563,796	65,907	345,192	4,135	.....	1,274			
Lancaster County Bank, . . . . .	144,896	236,190	25,169	82,442	4,974	1,882	416			
Columbia Bank and Bridge Company, . .	307,300	91,219	6,186	45,736	4,435	.....	311			
York Bank, . . . . .	250,000	217,145	12,557	95,726	.....	9,279	7,981			
Bank of Gettysburg, . . . . .	123,873	155,982	2,935	24,421	6,181	11,550	824			
Bank of Chambersburg, . . . . .	205,470	193,265	5,514	78,792	3,897	15,670	199			
Harrisburg Bank, . . . . .	300,000	340,200	4,195	114,837	9,684	24,016	.....			
Bank of Middletown, . . . . .	97,275	138,235	1,633	45,458	.....	35,810	722			
Bank of Northumberland, . . . . .	160,000	228,850	9,348	62,497	5,545	20,000	1,173			
Wyoming Bank at Wilkesbarre, . . . . .	85,330	70,960	836	48,983	2,941	10,000	47			
Bank of Susquehanna County, . . . . .	100,000	52,470	.....	19,338	104	.....	14,836			
Honesdale Bank, . . . . .	82,000	291,610	.....	24,125	232	.....	4,295			
West Branch Bank, . . . . .	100,000	107,232	2,556	68,217	.....	.....	10,691			
Bank of Pittsburgh, . . . . .	1,142,520	338,837	20,869	710,918	3,580	84,397	64,443			
Exchange Bank of Pittsburgh, . . . . .	813,995	302,415	41,574	203,531	1,140	55,117	.....			
Merchants and Manufacturers Bank, . .	600,000	272,430	46,751	141,916	24,751	59,355	.....			
Monongahela Bank of Brownsville, . .	126,000	192,566	6,445	77,524	.....	14,695	444			
Farmers and Drivers, Waynesburg, . .	100,000	251,605	.....	24,856	3,176	22,589	523			
Franklin Bank of Washington, . . . . .	120,000	195,525	2,430	39,848	2,617	20,979	417			
Dauphin Deposit Bank, . . . . .	50,000	.....	4,275	256,470	.....	15,000	215			
Farmers Deposit Bank of Pittsburg, . .	62,500	.....	.....	156,259	.....	18,000	1,159			
Lancaster Savings Institution, . . . . .	20,320	.....	.....	146,960	53	.....	4,310			
York Savings Institution, . . . . .	35,000	.....	.....	100,589	93	485	2,805			
Hanover Saving Fund Society, . . . . .	36,000	.....	17,554	29,220	1,136	.....	363			
Farmers Bank of Lancaster, . . . . .	350,000	102,730	7,703	80,439	5,307	.....	1,677			
Carlisle Deposit Bank, . . . . .	22,475	.....	10,303	33,664	568	.....	92			
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Total Liabilities, 51 Banks, . . . . .	\$21,462,870	\$9,992,593	\$3,332,418	\$12,845,904	\$246,277	\$1,435,702	\$243,349			

## BANKING SYSTEM OF NEW YORK.

Extracts from the Report of the Hon. Millard Fillmore, Comptroller of the State of New York, January 4, 1849.

There are now two systems of Banking carried on in this State. One called the *Safety Fund System*, which was first authorized in 1829. Every bank belonging to this system has received a special act of incorporation from the Legislature. These charters were for a limited period, generally having about twenty years to run. There are seventy-eight of these banks and two branches now in operation, with an aggregate capital of \$29,638,860. The charters of some of them will expire in each year until 1866, when the last will terminate. This statement includes two incorporated banks not subject to the Safety Fund act, whose charters are unlimited, viz: The Manhattan Company and the New York Dry Dock Company. Their capital is \$2,250,000.

This system was regulated by a general law, (L. of 1829, ch. 94,) which was incorporated into every charter, by which each bank was required to have all its capital paid in before it commenced business, and it was also required annually to contribute one-half of one per cent. upon its capital to a common fund, deposited with the State Treasurer until such fund should amount to three per cent. upon the capital of each bank, which fund was denominated the "*Bank Fund*," and was to be applied to the payment of the debts of any insolvent bank contributing to the same, and in case the fund was at any time diminished by payments from it, the banks were again required to make their annual contributions, till each had in deposit the three per cent. on its capital stock. This fund, in common parlance, has been called the "*Safety Fund*," which has finally given name to the system. Another feature of this system was, that three Bank Commissioners were to be appointed, with large powers, to supervise and inspect the several banks: the State, as representing the whole people, and the banks of a certain district which included the city banks, and the banks of another district which included all the other country banks, each presumed to have antagonistic interests, were to be represented in this commission. It was supposed that each would be a check upon the other. To effect this, the Governor and Senate were to appoint one Commissioner, and the banks in the southern part of the State another, and the remaining banks a third. Whether this mode of appointment was found not to answer the expectations of the original projectors, or the dominant party desired to use this power as a political engine, is unknown to the Comptroller; but the law was changed in 1837, so as to give the appointment of all three to the Governor and Senate.

This, of course, brought them within the vortex of the great political whirlpool of the State; and the place was sought for and conferred upon partizan aspirants, without due regard in all cases to their qualifications to discharge the delicate trust committed to them. This state of things, under the administration of both the great political parties of the State, continued until 1843, when the Legislature abolished the

office, and conferred the power of examining these banks upon this department, whenever there was reason to suspect that a bank had made an incorrect report, or was in an unsafe or unsound condition to do banking business.

THE FREE BANK SYSTEM, as it is styled, was established in 1838, (ch. 260). By this system every individual and association was authorized to engage in the business of banking, and on depositing with the Comptroller the stocks of the United States, or of any State which should be, or be made equal to a five per cent. stock, or such stocks, and bonds and mortgages to the same amount or less, on improved, productive, and unincumbered real estate, worth double the amount secured by the mortgage, over and above all buildings thereon, and bearing an interest of at least six per cent. per annum, the Comptroller was required to deliver to such individual, or association, an equal amount of bank notes for circulation, duly numbered, registered, and countersigned in his office.

Associations under this law were a species of corporation. They could contract, sue and be sued in the name of their president, and the shares were transferable at the pleasure of the shareholders, who were not liable in their individual capacity for the debts of the association. But there was nothing in the act that required individual bankers to deposit any particular amount of securities before they commenced banking. The country was then flooded with stocks from almost every State, and the consequence was that numerous banks sprung into existence under this law. Repudiation soon followed. Many States that did not repudiate, failed to meet their obligations, confidence was impaired, credit was shaken, and stocks generally depreciated in the market, the consequence was that many banks failed, and the Legislature partially retrieved its error, in 1840, (ch. 363) by excluding all stocks except those issued by this State, and required those to be, or to be made equal to a five per cent. stock.

Finding the small banks unsafe, the Legislature in 1844, required individual bankers to deposit securities to the amount of at least \$50,000; and associations, to the amount of \$100,000, before they were entitled to any notes for circulation. The stringency of the money market in 1847, admonished the Legislature that the security of these banks was not sufficient; and in 1848, they required the stocks deposited, to be stocks of this State, and equal to a six per cent. stock; and the bonds and mortgages to bear an interest of seven per cent. per annum, and that they should not be for an amount exceeding two-fifths of the value of the land covered by the mortgage. This is the *free bank system*, as it now stands, and it takes its name from the fact that all are *freely* permitted to embark in it who comply with the rules prescribed. It is no monopoly—no exclusive right granted by the Legislature to a favored few, but is open to all who can give the requisite security.

Both of these systems have been in operation long enough to test their merits. It is presumed that no one would advise the continuance of both. Two rival systems cannot exist without creating jealousies among those interested, and adding much to the complexity and labor

of this department. The time has come when the Legislature must choose between them. That both have defects, no one can doubt. That some of these defects admit of a remedy, is equally clear. Which then is, or can be made, the safest and best system under the Constitution as it now stands?

In order to determine this question properly, several things are to be taken into consideration; and the first is, what is the duty of the State in reference to banking? It would, doubtless, be desirable to create banks which should be able to discharge every obligation, not only to the bill-holder, but to depositors, and all others to whom it should incur any liability. But this is impossible. The Safety Fund, which was intended to provide such security, would have been ample to redeem all the circulation of the banks which have failed, but it has been exhausted in paying depositors and other creditors of the insolvent banks, and is now mortgaged for all it will probably produce for eighteen years to come. Thus by attempting more than could be accomplished, the Legislature failed to secure the bill-holder, which was in its power, and for the remaining eighteen years that some of these charters have to run, the Safety Fund yields him no security. It is apparent, then, that security for all liabilities cannot be provided, and the State is under no more obligation to attempt this impossibility than it would be the equally absurd one of making every merchant capable of meeting all the obligations he should incur. It is humbly conceived that the duty of the State in this case begins and ends with furnishing a good and safe currency for the people. To furnish this currency, so far as it consists of paper or credit, is an exclusive privilege granted by the State, and the State should take care that in granting it the people are secured from imposition and loss. Any man may receive deposits, or discount a note, or loan money, or draw a bill of exchange. These, it is admitted, are banking operations. But they are open to all. Those who engage in them enjoy no exclusive privilege. But not so with those who are authorised to issue bank notes to circulate as money. This is a banking operation confined to the few. It is a prerogative enjoyed exclusively by the money kings of the country, and they should not enjoy it without giving the most ample security. This duty is justly imposed for the privilege which is granted.

Assuming, then, that the great object of legislation on this subject is to provide a sound currency by giving ample security to the bill-holder, the question is, how can this best be accomplished? It must be borne in mind that Safety Fund banks derived much of their credit from the individuals who were incorporated. By granting a special charter in each case, the Legislature had it in its power in some measure to control this matter. But there was an attendant evil that in the opinion of many out-weighed the good. The practice of granting exclusive privileges to particular individuals invited competition for these legislative favors. They were soon regarded as part of the *spoils* belonging to the victorious party, and were dealt out as rewards for partizan services. This practice became so shameless and corrupt that it could be endured no longer, and in 1838, the Legislature sought a remedy in the general banking law. This was the origin of the free bank system. Since that

time no Safety Fund bank has been chartered; and in 1846, the people set their seal of reprobation upon this practice of granting special charters for banking, by providing in the new Constitution, (Art. 8, § 4,) that "the Legislature should have no power to pass any act granting any *special charter* for banking purposes, but that corporations or associations might be formed for such purposes under *general laws*." Would it be safe, then, to provide by general law that voluntary associations or incorporations might be formed any where and by any persons for banking? The Comptroller thinks not. Suppose they were required to pay in all their capital; and the most satisfactory proof should be required of this fact. Even that is no security to the billholder. The capital paid in is left in the custody of those who pay it. They can withdraw it at pleasure. It would only be necessary for those who wished to practice a fraud upon the credulity of the community, and reap a golden harvest, to associate together and form a bank, pay in a large capital; appoint one of their associates president, and another cashier to take charge of it; prove to this department these facts, and obtain bills for circulation to an equal amount, and then pay them out for property easily transported—take their capital and leave for California, and in one week they would be beyond the reach of process or the power of coercion. But it has been suggested that each bank might be required to deposit a certain amount, say ten per cent., in the treasury, to constitute a fund for the redemption of its bills. So far as this deposit goes it may be safe. It is on the principle of the free bank system. But if the deposit be intended for the redemption of the bills of that bank only which makes the deposit, it is wholly inadequate. It is no more than the banks under the old Safety Fund system paid to a General Fund. Their charters had twenty years to run. They paid half of one per cent. per annum, making in all ten per cent. To say that one dollar is deposited as a security for the redemption of ten, is a mockery. But it may be said that this shall constitute a common fund for the redemption of the bills of the insolvent banks only. Then, as many which are solvent, will not want it, there will be enough to redeem all the bills of those which shall prove insolvent. This is doubted. This fund, instead of being sufficient to redeem the notes of all insolvent banks, would probably for a time give just credit enough to the fraudulent associations which would be formed, to enable them to get their notes in circulation, and then by withdrawing their capital, the more effectually defraud the community. It is believed to be wholly inadequate for the object intended.

The Comptroller believes that the safest way to make a sound paper currency, is to have at all times ample security for its redemption in the possession of the State. In order to make this security *ample*, it should be not only sufficient in amount, but should be of such a nature that it may be readily converted into cash without loss. It is not sufficient that the security be ultimately good or collectable; delay in redeeming the circulation causes it to depreciate, and is almost as fatal to the poor man who cannot wait, as ultimate insolvency. He becomes at once the victim of the broker. A bond and mortgage may be good; that is, the whole amount secured by them may be collectable. But

the bill-holder cannot wait for this. They must be convertible into cash by sale; and if for any reason this cannot be promptly done, they are not that kind of security which should be required. All the experience of this department shows that bonds and mortgages are not the best security for this purpose, and while better security can be had, it is deeply to be regretted that they were ever received. The apprehension that there may be a defect of title; that the lands mortgaged may have been appraised too high, or that there may be some legal defence to a suit of foreclosure, all conspire to depreciate their value in the estimation of purchasers, when offered for sale at auction on the failure of a bank. Capitalists are cautious about purchasing, and the consequence is that they have sometimes sold for less than twenty per cent. on the amount secured by them, and the average amount for which all have been sold, for the last ten years, is only *sixty-seven and seventy-one one-hundredths* per cent., while the average amount for which the five per cent. stocks of this State have sold is ninety-two and eighty-six one-hundredths per cent., or \$92 86 for every hundred dollars of stock. This shows that a six per cent. stock, such as is now required, would doubtless have sold at par, and the bill-holder would have received dollar for dollar for the circulation.

Should the country remain at peace, it cannot be doubted that the stocks of the United States will be a safe and adequate security. The Comptroller would therefore recommend that the law be so changed as to exclude bonds and mortgages from all free banks which shall hereafter commence business, and to prevent the taking of any more from those now in operation, and to require that ten per cent. per annum of those now held as security be withdrawn, and their places supplied by stocks of this State, or of the United States. If this recommendation be adopted, at the end of ten years the whole security will be equal to a six per cent. stock of this State or of the United States, which it is presumed will be ample security for the redemption of all bills in circulation.

Could this system of banking be generally adopted in the several States, it can hardly be doubted that it would prove highly beneficial. It would create a demand for their own State stocks. The interest paid upon them would be paid to their own citizens. Every man who held a bank note, secured by such stocks, would have a direct interest in maintaining inviolate the credit of the State. The blasting cry of *repudiation* would never again be heard, and the plighted faith of the State would be as sacred as national honor; and lastly, it would give them a sound and uniform currency.

If, then, in addition to this, Congress would authorise such notes as were secured by stocks of the United States to be received for public dues to the National Treasury, this would give to such notes a universal credit, co-extensive with the United States, and leave nothing further to be desired in the shape of a national paper currency. This would avoid all objections to a national bank, by obviating all necessity for one, for the purpose of furnishing a national currency. The National Government might be made amply secure. The law might provide that all bills secured by United States stock should be registered and countersigned in the Treasury Department, as the notes cir-



culated by the banks in this State are now registered and countersigned in this office. This would enable every collector, postmaster or other receiver of public moneys, to know that they were receivable for public dues. The stock of the United States by which their redemption was secured, might be so transferred to the State officer holding the same, that it could not be sold or transferred by him without the assent of the Secretary of the Treasury; and in case of the failure of the bank to redeem its notes, it might be optional with the Secretary of the Treasury to exchange the notes held by the Government for an equal amount of the United States stock held for their redemption, or let it be sold and receive the Government's share of the dividends. In this way the National Government would always be secure against loss. But this suggestion is foreign from the chief object of this report, and is merely thrown out to invite attention to the subject. But in conclusion, the Comptroller has no hesitation in recommending that the free bank system be modified in the particulars above suggested, and that it be then adopted in preference to the Safety Fund system, as the banking system of this State.

It cannot be supposed that banking under this system will be as profitable as it has been under the Safety Fund system. It is therefore desirable that every facility should be given to capitalists who engage in it, that can be granted consistent with the security of the public, and that no unreasonable or unjust system of taxation should be adopted which discriminates invidiously against them; but persons engaged in banking should be taxed like all other citizens.

#### *New Banks in 1848.*

Four associations and eight individual bankers have commenced business during the year 1848, viz:

*Associations.*—Bank of Rondout, Rondout, Ulster county. Camden Bank, Camden, Oneida county. Fort Stanwix Bank, Rome, Oneida county. Utica City Bank, Utica, Oneida county.

*Individual Banks.*—Bank of the Empire State, Fair Port, Chemung county. Bank of Westfield, Westfield, Chautauque county. Cortland County Bank, Cincinnatus, Cortland county. Knickerbocker Bank, Genoa, Cayuga county. Northern Canal Bank, N. Granville, Washington county. Putnam County Bank, Farmers' Mills, Putnam county. Village Bank, Randolph, Cattaraugus county. Walter Joy's Bank, Buffalo, Erie county.

#### *The Associations have deposited the following securities, viz:*

New York State 5 per cent. stock, . . . . .	\$144,401
Do. do. 5½ " " . . . . .	1,000
Do. do. 6 " " . . . . .	207,175
Bonds and Mortgages, . . . . .	59,400—\$411,976
Circulating notes issued on the above, \$399,499.	

#### *The Individual Banks have deposited the following securities, viz:*

New York State 5 per cent. stock, . . . . .	\$96,951
Do. do. 5½ " " . . . . .	102,000
Do. do. 6 " " . . . . .	235,319
Do. do. 7 " " . . . . .	\$6,000—\$530,270
Circulating notes issued on the above, \$525,278.	

*Report of the Committee on Banks and Insurance Companies.*

Mr. Cook, from the committee on banks and insurance companies, to which was referred a resolution of the Senate, requesting them to inquire into the propriety of so amending the General Bank Law, as to admit the deposit of United States Stock, as a basis of circulation, makes the following

## REPORT:

After the able report of the Comptroller, in his annual communication to the Legislature, upon the subject of banking, the committee do not deem it necessary at this time to enter upon any comparison of the merits of the two systems of banking, as at present pursued in this State.

The committee concur fully in the recommendation contained in that report, that it is desirable to furnish every facility to capitalists who engage in the prosecution of that species of business, consistent with maintaining a sound and properly secured currency for the people. It would seem to be absolutely necessary that the basis of the security for circulating notes obtained from the Comptroller, should be enlarged at the present session of the Legislature, from the fact that they have no power to renew any charter of the Safety Fund banks, and by the expiration of several of them, an amount of capital equal to \$2,050,000, and having the privilege of circulating \$1,625,000, and whose absolute circulation was \$1,535,228, on the first day of December, 1848, must cease its operation as banking capital, during the present year, or avail itself of the provisions of the General Bank Law, to continue in its present occupation.

The committee assume the fact, that it must cease to exist as banking capital, or avail itself of the present general law; believing that no attempts will be made, at this session of the Legislature, to enact any bank law, whose provisions shall materially vary from the one now in use in this State.

Your committee trust it will not be deemed as obtrusive, to notice in this report, a few of the objections raised against the present general law. The first, and most serious one is, that the ultimate payment of the debt of this State, as provided by the Constitution, will soon leave no security of the kind now deposited with the Comptroller; and were stocks of the United States allowed to be received for the same purpose as our own, a continued peace would, in a few years, produce the same result in relation to them.

This result, so far as relates to our own stocks, was fully apparent to the framers of the Constitution; and it was with this fact before them, that, while they provided for the ultimate payment of the entire indebtedness of the State, they inserted in the same instrument, the very liberal provision as to the kind of security to be given by bankers for circulating notes. By that instrument, the Legislature is to judge of the kind of security to be taken, with the simple and sole provision that the security shall, in their opinion, be *ample*. This is the only restriction placed upon them, and it is within their power, under the Constitution, to say what that security may be: either our own State stocks,

the stocks of the United States, or those of our cities, or any other species of property they shall deem to be ample. Until the relation of debtor and creditor ceases to exist in this State, your committee can feel no alarm as to the amount of securities within the reach of the Legislature, for the purpose of legitimate banking, under the provision of the general law.

An objection is made to the present law, that in compelling the purchase and deposit of stocks, with the Comptroller, it locks up from commercial use, the amount thus invested in stocks. There is the same objection to organizing under any system that requires paid up capital.

The amount of capital paid up in a chartered institution, is in bills of other banks, and they are returned upon the banks issuing them, for redemption. This objection to the system, as applied to new associations, amounts to nothing; while the application of it to banks now doing business under their charters, the committee are willing to allow, has some force.

It is conceded by your committee, that a chartered bank of \$200,000 capital, and which should maintain a circulation of nearly that amount, and a consequent discounted debt of \$400,000, could not, under the general law, carry a discounted debt of over \$200,000, as that amount of capital would be in the hands of the Comptroller, as security for its notes, and the amount of discounted paper could only be equal to the circulation (deposits being kept out of view, in this estimate.) Thus, the transfer of the capital of a chartered bank, without additional capital, would and must deprive its customers of an amount of accommodation, equal to the amount of the deposit in the hands of the Comptroller. This, at first view, may seem a startling objection to the transfer of such capital.

This difficulty, your committee would meet, by calling your attention to the fact, that every man, or association of men, can employ their capital in banking, where they please, and to what amount they choose; and it is within the power of the proprietors of a chartered bank, under the provisions of the general law, to raise their capital to any amount which the necessities of their dealers require. Under special charters, their location, as well as the amount of capital, is fixed, and cannot be changed, without application to the Legislature, whatever may be the wants of the commercial community where they are located; while, under the general law, the proprietors of an association can, at their option, add to or diminish their capital, to an amount that can be profitably employed, according to their location. Your committee believe that capital will flow (as all experience has taught us,) to points where it can be most profitably employed; and the fact that the owners of every bank, whose charters have expired since the adoption of the general law, have transferred their capital, by voluntary association under that law, and continued the business of banking, as well as the note of preparation which comes from those about to expire,—all convince your committee that no serious inconvenience will arise to the commercial community, from the adoption of the free system of banking in this State.

The committee, although entertaining the view just expressed, as to

the inconvenience to the public, attending the transfer of the capital of the chartered banks, to associations under the general law, are aware that possibly, in some locations, it may be extremely difficult, immediately to increase the capital of a bank upon the expiration of its charter. If this should occur, it would cause some temporary embarrassment to the business men who place reliance upon such banks, for the successful prosecution of their pursuits.

By the provisions of the general law, no association for the purpose of banking can commence business, without depositing with the Comptroller, security to the amount of \$100,000. This amount would absorb the entire capital of the smaller class of banks.

There are some sixteen or seventeen chartered banks in this State, whose capital is \$100,000, which, if transferred into banking associations, would of necessity make a temporary withdrawal of their accommodations to the public, or compel an increase of capital to the amount of bills necessary to be obtained from the Comptroller for the prosecution of their business. That the increased amount of capital required (as it would be upon interest,) could be obtained in most cases, your committee most firmly believe; still, they are unwilling, when it can be done without sacrificing the great principle of ample security for currency, to place or continue any impediment, however small, in the way of the present general bank law becoming the settled policy of the State.

The committee believe the only objection that can be urged against its adoption with any degree of plausibility, is the one mentioned above. They are also aware that this objection is urged with great tenacity, as well as sincerity, by the proprietors of special charters; and, under these circumstances, the committee have prepared a section in the bill which accompanies this report, for your consideration, the provisions of which they trust will meet the general concurrence of the proprietors of chartered banks. Its provisions apply to all chartered banks, as the committee are unwilling to make any distinction; and the only possible necessity for its adoption, arises from the small capitals of the interior banks, where the scarcity of capital would make its adoption apparently necessary.

Your committee are fully aware that the profits of capital employed under the general law, will be somewhat diminished from those enjoyed by the proprietors of special charters. But it should be remembered, that the public are indebted to the fact that the profits of special charters were so large that men descended to means to procure them, that finally became so notorious as to produce the necessity for the general law.

While banking under special charters produced 10 or 12 per cent. per annum, is it to be wondered at, that such charters were eagerly sought for, and that unscrupulous means were used to procure them? The result of this state of things was inevitable; the granting of special privileges for banking became odious to the people, and a general law, allowing every citizen to engage in the business of banking, was passed in accordance with the public will. Thus, the large profits and the special privileges granted to the few, became the seed from which sprang the present law; and, as all general laws for any purpose are

open to all, the honest citizens, as well as to the knave, it became absolutely necessary, (without reference to profits,) to protect the involuntary creditors of associations, in the most perfect manner possible. The committee use the terms "involuntary creditors," believing that great difference should exist as to the security of the man who becomes the creditor of an association of his own accord, and one who is obliged, by common usage in the course of business, to take the currency of the State: for this reason, ample security should be required, beyond that furnished by paid up capital and individual liability, for every note or bill issued and put in circulation as money, by banking associations issuing them, within this State.

There is one consequence to follow the adoption of the present general bank law, as the acknowledged system of this State, which strikes the committee as presenting a strong inducement to the proprietors of the chartered banks, to readily employ their capital under the provisions of that law. The Senate are fully aware, that with the coming year, the Constitution provides for personal liability to the amount of the respective interests of shareholders in all incorporations or associations, issuing any kind of paper credits to circulate as money.

A system like the present general law, which provides a security for the bill-holders, which is entirely beyond the control of the managers of banking associations, must divest that provision of the Constitution of its chief objections, in the minds of capitalists. It destroys all fears of the stockholders, growing out of their personal liability as far as currency is concerned, unless a great national or State convulsion should occur, which would impair the faith of the people in the stability and safety of our National and State Governments. Thus, unless such a disaster shall occur, the only application of the principle of personal liability would be to the deposits in bank. In the cities and large commercial towns, the amount would probably reach the extent of the liability proposed, while in the country, the amount of deposits for which the liability would exist, could hardly reach 20 per cent. of the capital employed.

This view of the subject the committee consider as highly favorable to the continuance of the capital now employed in banking, under special charters in the country, under the provisions of the general law; while they consider the inducements nearly equal to the capitalists of the city, whose means are employed in the same manner, from the fact that, although liable for larger and more immediate demands, from their depositors, than the country banks, they are in a situation to meet them from the greater certainty of the prompt payment of the class of paper usually discounted by them.

The committee will not pursue this subject farther, feeling that an examination of the bearing of the general law, upon the question of personal liability, will satisfy any unprejudiced mind, that the present system, with proper amendments, should be adopted as the settled policy of the State, if security to the *bill-holder*, as well as the safety of the *stockholder*, be a desirable result.

The committee cannot but look upon the security of the bill-holder as inseparable from the safety of capital; and the adoption or continu-

ance of any system which shall place the redemption of the currency of this State beyond the ordinary fluctuations of business, although it may reduce the large profits heretofore enjoyed by bankers, under special charters, will well repay them for their diminished gains, by the additional security afforded them in the employment of their capital.

This security to capital the committee believe to be furnished by the present general law; and while they are fully aware of the defects of the original law, they believe, with the amendments since made to it, and the adoption of one which shall preclude the taking of mortgages as security for circulating notes, it is the nearest approach to a perfect paper system that has been devised by the ingenuity of man.

The committee would call the attention of the Senate to the fact, that mortgages held by the Comptroller are not as easily and readily converted into means to redeem circulating notes, in cases of insolvency, as was expected by the framers of the general bank law. It is not necessary to state the numerous objections to this species of security, as it appears from the Comptroller's report, that the average price for which mortgages have been sold by him for the past ten years, is a fraction less than 68 cents on the dollar.

It must be evident to every man, that a security, which experience has taught us is worth but 68 cents in the market, while it professes on its face to secure a dollar, cannot be that *ample* security contemplated by the Constitution.

The committee feel the wisdom of the recommendation of the Comptroller, that no more mortgages be taken as security for circulating notes, and that those in his hands should be gradually withdrawn, and their places supplied by other securities. They have introduced a section into the bill, which will be offered for your consideration in accordance with these views.

The amount of stocks of this State, now held by the Comptroller as security for circulating notes, under the provisions of the general bank law, is \$7,627,092 76; and by the provisions of an act passed at the last session of the Legislature, no stock security, except those of our own, can now be received by him. This amount, added to that held in trust by the State, and invested in its various funds, your committee believe to be equal to one-half, if not more than all the stock of this State that could be made available for banking purposes, without advancing the price of it to such an extravagant premium as to make it extremely oppressive, to not only the chartered banks, desirous of continuing business under the general law, but also to those individuals who are inclined to commence new associations under it.

Your committee, entertaining this view, would say, that they believe the stock of the United States, bearing an interest of six per cent., would be ample security for circulating notes issued under the provisions of the general bank law; still, they are unwilling, until the necessity becomes more pressing than at present, by the scarcity and consequently advanced price of our own State stock, to recommend the passage of any law allowing circulating notes to be issued upon any security of which the stock of this State shall not form at least one-half of the basis of such security.

The system of security for currency is emphatically a measure of this State; and it should be kept constantly in view, that the individual faith of every citizen of this State, (through the action of his representatives in the Legislature,) is pledged for the redemption of circulating notes issued as currency under the provision of the general law. The principle of requiring at least one-half of our own State stock to be so pledged, has, without doubt, great influence in sustaining the soundness of our currency, as well as the credit of our stocks.

The committee are unwilling to recommend the extension of the basis of security for circulating notes, beyond authorising the reception of one-half of such security in the stocks of the United States, believing that any extension which should authorise the stocks of our municipal corporations to be received as security, would have a tendency to lead to the improvident creation of such stocks, and might possibly produce an expansion of our currency, which might lead to a disaster similar to that of 1837. It should be remembered by capitalists engaged in banking, that the iron provisions of the Constitution, as applied to them in relation to a suspension of specie payments, places their interest beyond legislative aid, in case of such disaster; and that, in the action of the Legislature, in opening or expanding the basis of security for banking purposes, a surfeit is more fatal to them than occasional abstinence.

Your committee feel the necessity of great caution upon this subject, and fully believing that the reception of one-half United States stock as security, to be hereafter received by the Comptroller for circulating notes, is going as far as prudence would at present dictate. If this amount should be less than is found necessary for the business of the country, or the convenience of banking, it is perfectly within the power of those who succeed us, to extend the basis of security so as to include municipal stocks.

JAMES M. COOK, A. J. COFFIN, SAXTON SMITH.

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AN INTERESTING CASE.—One of the most interesting civil cases, before this term of the court, was the Farmers' Bank v. Frederick Leanard. It appears, that in 1818, the Farmers' Bank obtained a judgment against Frederick Leanard for \$1,475 75, for the amount of which judgment, together with interest, up to this time, the present case was brought. It was contended on the part of the plaintiff, that the action was not barred by limitation, on account of the insolvency of the defendant, during the greater portion of the time since the judgment was obtained. On the other hand, the counsel for the defendant denied the insolvency, and stated, that if the judgment had been revived within twenty years, it might have been obtained. After the judges' charge, the jury returned a verdict in favor of the plaintiff. The counsel for the defendant have moved for a new trial, and the question was to have been argued on Monday. The whole amount of the judgment, with interest, amounts to some \$4,000.—*Wilmington Delawarian*.

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## THE COMMERCIAL IMPORTANCE OF CALIFORNIA.

From the London Circular to Bankers, January 19, 1849.

It was to be expected that an extraordinary development of commercial power, such as the in-pouring of treasure from a new source, would be received with doubt and incredulity, and especially by those who pass their lives in criticising the works and undertakings of other men, and who never create anything of utility for themselves, never by precept or example suggest anything better than a higher degree of point and polish in the practice of their own animadversions and detractions. This is one reason why emigration or colonization received so little countenance from journalism till it was thirty years too late to be of essential service as a means of counteracting pauperism and degradation among the people at home; and the tone of journalism operated as a restraint on the ruling power on that grave question. Proper foresight, the commonest sense of the duties of statesmanship, (if statesmanship were what it should be in England,) would have suggested the necessity of devising means of provision at home for the people of Ireland, and means of transport for her supernumerary laborers, without depriving the British crown of the value of their labor, when at the close of the war it became manifest that Ireland would be deprived of her principal accidental advantage by the cessation of government contracts; when at the same time it had become manifest that a great stimulation had been given to the increase of population by the subdivision of land for the creation of votes. All natural and proper remedies for clearly augmenting evils were utterly neglected at the time when they ought to have been applied providentially, vigorously, and effectually. And censure for this negligence presses with tenfold weight on the head of the tories who were in power till the year 1830; for the whigs, during the fifteen years of their tenure of power since 1830, have in truth attempted remedies for the physical degradation of the Irish, which the rival faction wholly neglected. We do not say that the expedients applied for relief since June, 1846, were the best and wisest, but we say that the conduct of the whigs evinces a better animating spirit, a higher sense of duty, and more anxiety to apply the resources of statesmanship to the perplexing and revolting affairs of Ireland than ever were evinced and applied by the rival faction during its long possession of power from 1807 to 1830, and from 1842 to 1846.

We shall see presently that Pitt, himself, was not exempt from the same censure, and therefore it seems to be incidental to parliamentary warfare, that the executive should postpone and neglect whatever is remote, and gives it no trouble in Parliament, however important the object may be. Every page of our history, for nearly a century, demonstrates the supine indifference of the government to the colonial interest of the empire, which we hold to be vastly more important than any single interest within the united kingdom—that of the land alone excepted; much superior in value to any single mining or manufacturing interest, if properly administered and fostered with parental solici-

tude. It appears that the British crown has, or had, as good a title to California as the United States had to the portion of Oregon ceded to them by treaty. Guthrie, in his geographical grammar, written before the American war of independence, said:—

With respect to the value of the gold mines, nothing positive can be asserted. California was discovered by Cortez, the great conqueror of Mexico, in 1536, after enduring incredible hardships and encountering dangers of almost every species. During a long period, it was so little frequented, that even its form was unknown, and, in most maps, it was represented as an Island. Our famous navigator, Sir Francis Drake, took possession of it in 1578, and his right was confirmed by the principal king or chief of the country. This title, however, the government of Great Britain have not hitherto attempted to vindicate, though California is admirably situated for trade, and on its coast has a pearl fishery of great value.

Pinkerton, also, who died more than twenty years ago, bears testimony to the value of this possession, and his representation is referred to in the last number of the *Examiner*, whence we transfer it to our columns:—

Pinkerton, in an account of Drake's discovery of a part of California, to which he gave the name of New Albion, states: The country, too, if we can depend upon what Sir Francis Drake or his chaplain say, may appear worth the seeking and the keeping, since they assert that the land is so rich in gold and silver, that upon the slightest turning up with a spade or a pickaxe, these rich metals plainly appear mixed with the mould. It may be objected that this looks a little fabulous; but to this, two satisfactory answers may be given; the first is, that later discoveries on the same coast confirm the truth of it, which for anything I can see ought to put the fact out of question; but if any doubts should remain, my second answer should overturn these. For I say next, that the country of New Mexico lies directly behind New Albion, on the other side of a narrow bay, and in that country are the mines of Santa Fe, which are allowed to be the richest in the world; here then is a valuable country, to which we have a very fair title.

This, then, is the sort of country, to which, as our author says, "we have a very fair title," one square mile of which is probably worth on the average a thousand square miles of Oregon or Canada on the average. On these we have expended many millions of money—in conquest and diplomacy, in defences and the suppression of rebellion, in civil government and highways—probably a sum exceeding fifty millions sterling, or one-fifteenth part of the national debt. California we abandon without an effort to realize the title to the territory secured by the enterprising Drake, without expending a pound sterling to recover it. But this simple contrast, forcible and instructive as it is, describes not the worst effect of our supineness and criminal negligence in the matter. California is the most favored spot on the earth for British colonization, from its salubrity, its fertility and climate, its possession of the fine bay and port of San Francisco, whose advantages are unequalled on the shores of the Pacific, and its virtual proximity to England, and her Asiatic and Australian possessions. If we had no "very fair title" to the territory and waters of California, that title ought to have been secured by purchase, and the purchase money held as a security for the payment of Mexican bonds in the hands of British subjects. Lord Palmerston could threaten reprisals to secure the Spanish bondholders, apparently because of the insolent conduct he and his representative received at the hands of the government of Spain; but what have he and Lord Grey done to prevent California falling into the hands of the United States, when England had "a very fair title to California?" Is

that not a question a little more important than the territories of the Hudson's Bay Company and Vancouver's Island, concerning which there has been such a pothor in and out of Parliament? But this question of the right to California, is connected with another question which should not be passed over in this sketching manner—a question which involves one of the deepest and most interesting considerations relating to our national power and national honor.

California, with its deep, broad, peaceful bay and port of San Francisco, is exactly that spot on earth most necessary to secure the possessions and trade of England, in India, China, and Australia, and all her possessions and trade in the Pacific Ocean. It is more necessary to protect her vast and augmenting interests in those quarters, than Malta is to protect her trade in the Mediterranean, or than the Cape and St. Helena ever were to her intercourse with the South and East. It is vastly more important than the overland route to India and China; because it would afford the means of obtaining for goods, troops, and military stores, as well as correspondence, a communication as near as the overland route, in point of time, with China, and much nearer, in point of time, with Australia. England ought to have done exactly what the government and people of the United States have done—secured California, and then run a high-way through the Isthmus, from Chagres to Panama, with a perpetual guarantee for its unmolested and comparatively untaxed possession at both extremities. This provident duty became imperative, and to the British government ought to have been obvious, the instant the designs of the Washington Cabinet upon Mexico became manifest and unequivocal. The possession of California by the United States puts a rein in the hands of that country, and a curb in the mouth of the British lion, by means of which, with time, the young giant will be able to check, control, or thwart the interests of England in her Asiatic and Australian possessions. California is covered with the finest timber in the world for ship-building, consisting of every variety of the oak tree, growing near the water's edge, where ships can be constructed and floated down to the magnificent bay, there to rest in security till they are wanted. In the broad valleys of California, all the elements of human food can be produced with less expenditure of labor than on any part of the shores of the Mississippi. Seeing all these advantages and probable consequences placed in the hands of the United States by the criminal apathy and negligence of the British government, it is with burning shame and indignation that we read the following record of England's disgrace, and the glorious triumph of the young Anglo-Saxon giant:

**SHORT ROUTE TO THE PACIFIC.**—A project long contemplated as a great improvement in commercial geography, is at length about being realized. An American company is to run steamers from New York to the Isthmus of Darien, whence goods and passengers will be conveyed across to Panama; from Panama, a second line of Steamers is to ply to Oregon, and the new El Dorado of California; and a third from Panama, along the coast of South America to Guayaquil, Callao, and as far as Valparaiso. A branch line is also proposed from California to the Sandwich Isles and China. The enterprize will, it is said, commence in the present month. The road from Chagres to Panama across the Isthmus is to be repaired and improved by the government of New Grenada, from funds supplied by the American company; and, in order to encourage trade, this government has exempted vessels fre-

quenting the ports of the Isthmus from tonnage dues, and reduced the duties on imports to one per cent. on assorted cargoes. This establishment of a regular communication across the Isthmus of Panama, will do for the new world what a similar communication across the Isthmus of Suez has done for the old; it will constitute an era in the history of commerce, and by bringing the ends of the earth into juxtaposition, will have a powerful influence on the progress of civilization. The voyage from New York to San Francisco, in California, round Cape Horn, is 17,000 English miles, and occupies a sailing vessel about five months. The two voyages, from New York to Chagres, and from Panama to San Francisco, have an aggregate length of 6,400 miles, and will be performed by steamers in about thirty or thirty-six days, allowing time for the journey across the Isthmus (about sixty miles over land 300 feet in height,) and for unshipping and reshipping. The new line of communication will be of great advantage to the trade of our own country. It will reduce the length of the journey from Britain to Lima and Guayaquil one-half, and the time two-thirds. And it will benefit the world, by accelerating the settlement and growth of a great civilized population on the Western shores of North America.

It may seem to be of little import to inquire by what means this degradation, this stain on the national character for enterprize, on the national honor for resolution to defend our rights, has been brought on our beloved country. One thing is palpable to the most superficial observation, which is, that if there had been any man of weight in either House of Parliament, earnestly bent on the performance of his duty, not all the lethargy of a Bathurst or a Dundas, the imbecility of a Robinson, the pert bureaucracy of a Rice, the brilliant tongue of a Stanley, or the nepotism of a Grey, could at this instant of time have prevented California belonging to the Crown of England. After the Indian empire, it would have been the brightest, richest jewel in her diadem. Unhappily, there has appeared no such man to mind and defend the most valuable rights of England, although the miserable countries lying principally to the north of a line drawn from the mouth of the St. Lawrence to the Columbia river, have possessed that advantage in full measure. Hard things have been whispered in this city, as well as having been bruited in the public journals, concerning the successful job which has been achieved for the benefit of the Hudson's Bay Company, by coercing or persuading Lord Grey to give them all they wished. Of these stories we know nothing, and shall certainly not, at present at least, enquire into their truth and bearing; we are considering the stable foundations of our country's security and prosperity, which have been shamefully jeopardized. But if there be any truth in the floating rumors, we would just hint to the cunning men who have sought to promote their own personal interests in the Hudson's Bay Company, that they have evinced a marvellous degree of negligence, or narrow selfishness in their proceedings, to accomplish their purpose. What will be the value of Vancouver's Island within five years, when California shall be peopled by half a million sturdy emigrants from England and the United States? Who will work in a coal mine on that Island, or scratch the sterile soil for a few oats and potatoes, when he can earn five times more by the same labor in cultivating the rich alluvial valleys of California, within six days' sail of your forbidding shores. We can discover little but narrow-minded views, unrighteous party bias, or dangerous experimental crotchets in the colonial administration of England, and we mourn over the fate of our beloved country in such keeping. We speak not of the conduct of this or that administration,

but of all administrations for thirty years past. At all events, their policy for twenty years has been directed to nothing so vigorously as the undermining of the power and greatness of England, by the destruction of her colonial prosperity.

In the foregoing animadversion on the conduct of the British government in neglecting the most obvious and most important interests of their country, we have studiously kept out of view the mineral treasures of California, because we would ground no censure on anything doubtful or hypothetical. Our quarrel with our rulers is, that they had the power of securing for England the finest territory on the earth's surface, in the finest climate of the world, for the deposit of her surplus population, and at the same time of raising up a community devoted to the British Crown, ready to protect and defend the vast interests of England in Asia, Australia, and the Pacific Sea; and that this opportunity they have wholly neglected, and thrown all the advantages resulting from it, into the hands of our most energetic and formidable rival. This is what we charge, and it is a serious impeachment which ought to be pressed home, let the blame rest where it may. At our present rate of descending from England's true and only tenurable position, she may fall so low as, within twenty years, to hold her East Indian possessions at the will and pleasure of the United States, and see her China trade in the exclusive hands of that country; to which, indeed, it is already rapidly approximating; the only thing wanting to give the impetus greater momentum and strength being the repeal of the navigation laws. But now let us examine, so far as intelligence serves us to inquire, what we have probably lost by this shameful neglect of our rights in the mineral treasures of California, which England ought to have secured. We have read carefully all the information relating to it contained in the *New York Herald*. This information would fill several pamphlets. And we gather from this reading that the official agents of the great Republic in California, whose reports are printed, are rather timid and cautious than sanguine and obtrusive witnesses. They evidently write under an apprehension that what they have to relate will not carry credibility on its face, and may be received with mistrust and suspicion, so abhorrent to an honest man. Therefore their information is entitled to more attention, and it has the befitting consideration from us. Let us see whether what had been previously ascertained does not throw additional light on the verisimilitude of their statements. In a standard work (third edition of Jameson's *System of Mineralogy*, printed in 1820,) under the head of America, article Gold, we find what follows, page 61.

In modern times, this continent is considered the richest country of the world in gold. There the gold is chiefly collected in alluvial soil, and in the beds of rivers, and sometimes also from veins. In Mexico the gold is for the most part extracted from alluvial soil by means of washing; and the particles vary in size from that of dust to the weight of from five to six pounds. Another part of the Mexican gold is extracted from veins which traverse primitive mountains. The veins of native gold are most frequent in the province of Oaxaca, either in gneiss or mica slate. This last rock is particularly rich in gold in the celebrated mines of Rio San Antonio. These veins are about a foot and a half wide, and contain, besides the gold, common quartz.

The same metal occurs, either pure or mixed with silver ore, in the greatest number of veins that have been wrought in Mexico; and there is scarcely a single silver mine which does not also contain gold.

On the coast of California there is a plain of fourteen leagues in extent, covered with an alluvial deposit, in which lumps of gold are dispersed.

It must be borne in mind that these words were printed in a well-known and extensively read work twenty-nine years ago: since that time we have had more than half a dozen colonial secretaries, with adequate salaries and abundant patronage and power, sworn to guard the interests of England in foreign lands. Couple this authentic information with the admitted fact that England possessed a "very fair title" to California, and you have a proper sample of the conduct of bureaucracy working with and by the instrumentality of a supine and trusting parliament. There can be no rational doubt of the abundant mineral resources of California. The whole country, and more especially Mexico, Peru, and Brazil, abounds (as Humboldt as well as Jameson asserts) with mineral treasures; but they have nowhere been yet found in such abundance and so cheaply and readily accessible as in the alluvial soil of California. We attach great importance to the discovery of quicksilver in that country. Specimens of cinnabar (which contains 87 parts in 100 of mercury) have been transmitted by the officers of the United States government to Philadelphia to be tested. We hope much from this discovery as a means of breaking down a baneful monopoly. The Almaden quicksilver mines of Spain have of recent years been the principal, not to say almost exclusive, source for obtaining this useful and necessary product, which is to the abstraction and separation of other metals, what coal and water are to the steam engine, what rollers and the spinning jenny are to the fibres of wool, cotton, hemp and silk. No great amount of production fit for market can be raised without them. Recently, in the hands of Rothschild, the high price of quicksilver prevented the working of many of the inferior silver mines in various parts of the world, and stopped all the industry and all the profit of invested capital dependent on them. We must again explain this matter, though we denounced the monopoly and explained its consequences many years ago.

Quicksilver has been found in some quantity in various countries, and Peru was at one time a tolerably prolific source. The political troubles of South America checked or stopped the working of the Peruvian quicksilver mines, and the mines of Almaden in Spain (as we have already said) became the principal source of supply—Styria and China as well as other countries yielding small quantities. When the Almaden mines fell into the hands of Rothschild, some ten or more years ago, the price of quicksilver became enhanced—all other sources of supply yielding no quantity weighty enough to break down the monopoly; and its value stood for several years at 4*s.* 6*d.* the pound, or higher. The price is now, we believe, not higher than 3*s.* 6*d.* the pound—a fall of 25 per cent. And if, by the application of new capital and labor, the produce of the American continent should be increased by the re-opening of old neglected mines or the discovery of new sources, we may hope to see the price of quicksilver fall to one-half of its former range.

In this way, the discovery of the mineral treasures of California may become of very great importance to other countries, if quicksilver should prove to be one of its principal products. This is our answer to some friends, who have represented to us that the riches of the California mines will have the effect of closing inferior mines in other countries. They will lead to precisely an opposite consequence, provided their promise of yielding quicksilver should be realized so as to lower its price, and so render it available for mines long excluded from its use by its enormous cost.

We have dwelt on this extraordinary event, because it may prove the prolific breeder of interesting changes and events—in commerce, intercourse and the arts, as well as in the apportioning of wealth and political power among distinct active communities. This is a critically fastidious age, in which genius is nipped and enterprise restrained or obstructed for fear of ridicule and failure. The little censors who wish to lead public opinion, peer about here and there till they can pick out a place of safety for themselves, whence they may shoot their little arrows at boldness and intrepidity. Ours is a different temper, apt to admire a Watt, a Fulton, a Stephenson, or a Brooke, more than a Huskisson, a Peel, or a Lloyd. We are attracted to what men do to advance their generation onward in the high career of civilization; not to the theories which men dream in their closets, and then agitate the public mind to carry them out in legislation, all the time knowing no more about the consequences than they know of the application of chemical agencies in the moon. We admire prodigiously the enterprise, promptitude, energy and indomitable will of our transatlantic descendants, however much our moral sense may be occasionally outraged by their unscrupulous and intemperate manifestations. And we rejoice that it is still the Anglo-Saxon race that is destined to carry the laws, language and character of our forefathers to vast countries unknown to them. What, in progressive wealth and power, England was at the commencement of the century, the great republic will be at the completion of its medium stage. The weakened, sleepy old giant, glowingly suffers the young giant to take from him that which he could rightfully appropriate and was necessary to his strength. What will be the end of these things?

The first stage towards that end will be very soon accomplished. We have already seen that it was no idle rumor concerning the grasp of the possession of Cuba by the United States, but that it was a design avowed (though in secret) and intended to be carried into execution by its government. What does this import? That England shall have no power where the power of the United States ought to predominate, according to the interpretation of her rulers. How long will the cry of "All Oregon or none," be allowed to slumber in the traditions of history. Just so long as until the time comes when California shall feel herself strong enough to grasp all that belongs to England in her vicinity, and no longer. Then will England be expelled from her North American possessions in the Pacific, whether with or without the assent of the cabinet at Washington. Events in the passing course of time, demonstrate this to be the ruling passion of the enterprising hordes flocking to California, and such its inevitable direction. There may be



checks, hindrances and disappointments in their career. We look strictly at the nature and position of the country about to be peopled, without allowing much weight to that discovery on which no satisfactory calculation can be founded, but which may nevertheless give accelerated force to obvious and permanent causes, when we say that England's ascendancy in the Pacific is doomed to annihilation. Under the negligent, obstinate, imbecile rule of England there can be no other result. The new Anglo-Saxon Republic rising up, or to rise up, in California, will be held and controlled by a fragile thread of power at Washington; the bond will be instantly broken on the first attempts to check the ruling passion—that passion which led to the overrunning of Texas, the conquest of Mexico, the “grab” at Cuba, the possession of California. Instead of checking it, within five or ten years, Washington may again seek to ride on its whirlwind.

Remote, by habits of thought and action as well as by distance, from the moral influence of the European world, which, notwithstanding all we may say, exercises a wholesome restraint at Washington, what shall stay the course of the ruling passion in the Republic of California? She will possess within herself all the means of wealth and power and military strength. She can see no rival on the vast shores of the Pacific, where all else is feebleness and fragility. What can, what dare, England now say against the deliberate, though rapid, planting of this formidable power, already in possession of the most important highway of nations, with the command of its maritime extremities? At less than one-half of the distance, you have with great difficulty and cost crushed the Boers of Southern Africa. They had no military appliances, no land-locked bays, no ships and steamers or means of constructing them, no impregnable mountain fortresses; and, compared with active intelligent men of the Anglo-Saxon race, entrenched by nature in a favorable position, must be reckoned as fifty for one. No, no, having shamefully lost the opportunity, England must submit to her inevitable destiny. The simple statement of the question, what can England now do in opposition to it? involves the bitterest, and to all lovers of their country, the most painful sarcasm on the tarnished honor of England.

After all, an attempt to scan the inscrutable ways of Providence would be presumptuous; what we deplore and mourn over may, for aught that we can see, be designed for the speedier extension of the laws, language, physical and moral attributes of the Anglo-Saxon race throughout the regions of heathenism and idolatry. For such a consummation—call it an abstraction if you please—we must continue to offer our humble but fervent aspirations.

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**COMMON USE OF METALS.**—If a convincing and familiar proof of the extensive application of the metals to the common purposes of life were required, we need only refer to the case of many a common cottager, who could not carry on his daily concerns and occupations without the assistance of several of these substances. He could not, for instance, make his larger purchases, nor pay his rent, without silver, gold and copper. Without iron, he could neither dig, nor plough, nor reap;

and, with respect to his habitation, there is scarcely a part of the structure itself, or of the furniture contained in it, which is not held together, to a greater or less extent, by means of the same metal; and many articles are either entirely of iron, or of iron partially and superficially coated with tin. Zinc, and copper, and antimony, and lead, and tin, are component parts of his pewter and brazen utensils. Quicksilver is a main ingredient in the metallic coating of his humble mirror: cobalt and platina, and metals perhaps more rare and costly than these, as chrome, are employed in the glazing of his drinking-cups and jugs. And, if he be the possessor of a fowling-piece, arsenic must be added to the foregoing list, as an ingredient in the shot with which he charges it; for it is arsenic which enables the shot, during the process of its granulation, to acquire that delicately spherical form by which it is characterised. So that of the whole number of metals made use of by society at large for common purposes, amounting to no less than twenty, more than half of these are either directly used by the peasant, or enter into the composition of the furniture and implements employed by him.—*Kidd.*

### BANK STATISTICS.

#### *Liabilities and Resources of the Banks of Massachusetts, September, 1848.*

[Compiled for the Bankers' Magazine from the Official Reports to the Legislature.]

BOSTON BANKS.	Capital.	Circulation.	Profits.	Bank Balances.	Deposits.
Atlantic Bank, . . .	\$500,000	\$230,603	\$70,970	\$51,680	\$255,088
Atlas, . . . . .	500,000	89,222	39,236	56,096	175,774
Boston, . . . . .	900,000	238,377	105,630	30,630	390,061
Boylston, . . . . .	150,000	140,199	13,002	.....	96,837
City, . . . . .	1,000,000	159,254	100,013	77,655	377,973
Columbian, . . . . .	500,000	125,890	46,523	3,000	156,156
Eagle, . . . . .	500,000	147,210	41,120	83,764	326,313
Exchange, . . . . .	500,000	276,250	33,874	64,040	214,716
Freemans, . . . . .	200,000	145,908	33,576	.....	98,897
Globe, . . . . .	1,000,000	167,216	133,325	348,598	356,560
Granite, . . . . .	500,000	171,935	45,427	73,580	207,497
Hamilton, . . . . .	500,000	216,326	70,093	38,485	170,342
Market, . . . . .	560,000	155,964	128,478	72,708	211,817
Massachusetts, . . . .	800,000	117,070	56,785	63,773	176,744
Mechanics, . . . . .	120,000	125,258	19,333	.....	41,660
Merchants, . . . . .	3,000,000	605,733	396,634	591,910	736,251
New England, . . . .	1,000,000	168,540	120,275	100,110	224,306
North, . . . . .	750,000	191,183	60,078	16,723	230,968
Shawmut, . . . . .	500,000	142,120	58,900	144,374	137,308
Shoe and Leather, . . .	500,000	198,406	118,836	81,070	133,442
State, . . . . .	1,800,000	239,734	193,926	92,000	466,332
Suffolk, . . . . .	1,000,000	210,038	318,658	1,572,026	187,926
Traders, . . . . .	400,000	205,420	49,195	93,354	193,583
Tremont, . . . . .	500,000	181,853	66,094	156,258	214,607
Union, . . . . .	800,000	182,143	73,813	49,150	192,010
Washington, . . . . .	500,000	119,352	25,856	6,000	157,392
26 Banks, 1848,	\$18,980,000	\$4,951,233	\$2,419,650	\$3,566,998	\$6,430,560

# Bank Statistics.

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BOSTON BANKS.	Coin.	Real Estate.	Bank Notes.	Bank Balances.	Loans.
Atlantic Bank, . . . . .	\$56,513	\$30,000	\$31,390	\$92,555	\$897,886
Atlas, . . . . .	6,110	.....	39,516	3,810	810,893
Boston, . . . . .	119,693	50,000	84,659	28,388	1,391,960
Boylston, . . . . .	13,553	.....	31,510	48,820	306,176
City, . . . . .	60,110	30,000	36,296	92,672	1,495,918
Columbian, . . . . .	42,243	.....	36,647	41,470	711,210
Eagle, . . . . .	74,187	.....	79,333	64,890	879,997
Exchange, . . . . .	34,973	.....	83,598	29,757	940,551
Freemans, . . . . .	25,492	12,073	3,391	35,075	402,350
Globe, . . . . .	147,147	30,000	99,732	77,050	1,651,770
Granite, . . . . .	81,727	.....	71,697	39,575	805,540
Hamilton, . . . . .	42,820	.....	56,825	34,720	860,883
Market, . . . . .	40,320	.....	73,185	50,925	964,537
Massachusetts, . . . . .	43,833	75,813	54,834	31,312	1,003,591
Mechanics, . . . . .	20,003	16,350	2,005	36,118	231,776
Merchants, . . . . .	203,766	145,035	319,995	63,570	4,598,114
New England, . . . . .	75,497	30,000	53,607	35,522	1,418,705
North, . . . . .	51,521	.....	73,743	46,257	1,077,433
Shawmut, . . . . .	67,376	.....	50,379	15,307	849,640
Shoe and Leather, . . . . .	59,596	.....	55,486	55,777	860,907
State, . . . . .	39,555	.....	52,126	46,000	2,654,310
Suffolk, . . . . .	397,591	100,000	451,901	494,006	1,855,148
Traders, . . . . .	46,157	766	40,006	80,602	774,021
Tremont, . . . . .	36,430	40,000	94,372	14,595	933,415
Union, . . . . .	78,463	128,178	35,156	41,097	1,014,228
Washington, . . . . .	31,164	.....	40,098	35,150	702,227
Total, 26 Banks,	\$1,885,805	\$638,265	\$2,051,277	\$1,635,020	\$30,088,076

Table shewing the number of Savings Bank Depositors and the amount of Deposits in the several Savings Banks of Massachusetts, September, 1848.

Boston, . . . . .	23,844	\$3,999,165	Greenfield, . . . . .	700	\$117,900
Andover, . . . . .	547	113,700	Pittsfield, . . . . .	143	23,200
Gloucester, . . . . .	142	5,300	Canton, . . . . .	214	25,700
Haverhill, . . . . .	1,510	240,500	Cohasset, . . . . .	81	11,300
Lynn, . . . . .	754	78,900	Dedham, . . . . .	1,542	285,800
Lawrence, . . . . .	74	7,900	Quincy, . . . . .	314	47,700
Salem, . . . . .	5,724	1,071,300	Roxbury, . . . . .	562	85,400
Newburyport, . . . . .	3,326	544,600	Weymouth, . . . . .	451	70,000
Salisbury, . . . . .	616	95,100	Fairhaven, . . . . .	219	55,500
Cambridge, . . . . .	568	83,400	Fall River, . . . . .	2,641	664,100
Framingham, . . . . .	146	17,800	New Bedford, . . . . .	2,332	494,400
Lowell, . . . . .	5,324	830,000	Taunton, . . . . .	647	122,600
Concord, . . . . .	1,196	233,800	Hingham, . . . . .	1,134	230,000
Newton, . . . . .	110	7,100	Plymouth, . . . . .	2,318	380,700
Charlestown, . . . . .	1,445	226,200	Scituate, . . . . .	1,117	107,700
Fitchburg, . . . . .	459	61,600	Wareham, . . . . .	152	28,200
Lancaster, . . . . .	256	23,800	Barnstable, . . . . .	838	194,200
Southbridge, . . . . .	31	2,200	Nantucket, . . . . .	543	116,000
Worcester, . . . . .	6,622	1,021,200			
Northampton, . . . . .	156	17,900	Total Depositors,	69,894	
Springfield, . . . . .	1,096	197,300	Total Deposits, . . . . .		\$11,970,000

We have prepared the following Table of Liabilities and Resources of the Country Banks of Massachusetts, from the Annual Report to the Legislature. It shows the Capital, Circulation, Profits Undivided, Deposits, Bank Balances, Coin, Real Estate, Loans and Dividends of each.

COUNTRY BANKS.	Capital.	Circulation.	Profits.	Bank Balances.	Deposits.
Andover Bank, . . .	\$250,000	\$92,844	\$25,443	.....	\$16,051
Attleborough Bank, . . .	100,000	43,592	9,724	.....	12,488
Beverly Bank, . . . .	125,000	79,870	4,470	\$2,592	21,664
Bank of Brighton, . . .	250,000	200,152	21,186	.....	45,546
Bunker Hill, Charlestown, . . .	200,000	131,012	19,781	.....	125,758
Cambridge Bank, . . .	100,000	74,526	11,355	.....	10,513
Charles River Bank, . . .	100,000	89,586	10,645	.....	34,896
Neponset, Canton, . . .	100,000	62,939	5,934	.....	9,861
Concord Bank, . . . .	100,000	76,058	9,324	.....	15,518
Danvers Bank, . . . .	150,000	40,712	7,843	6,212	26,385
Village, Danvers, . . .	120,000	68,694	5,203	623	12,920
Warren, Danvers, . . .	120,000	62,235	6,056	.....	23,267
Dorchester and Milton, . . .	100,000	54,406	4,435	.....	14,351
Dedham Bank, . . . .	150,000	113,048	27,856	.....	37,042
Fairhaven Bank, . . . .	200,000	54,813	9,960	943	17,543
Falmouth Bank, . . . .	100,000	56,363	5,437	.....	6,968
Fall River Bank, . . . .	300,000	84,251	17,034	6,123	73,920
Massasoit, Fall River, . . .	100,000	51,158	4,448	1,134	17,696
Framingham Bank, . . .	150,000	113,856	14,330	698	30,540
Fitchburg Bank, . . . .	200,000	140,135	10,305	.....	17,048
Gloucester Bank, . . . .	200,000	131,109	23,442	.....	34,528
Manufacturers, G. town, . . .	100,000	35,147	6,265	963	13,987
Greenfield Bank, . . . .	150,000	181,983	15,035	666	11,552
Mahawie, G. Barrington, . . .	100,000	85,149	6,020	.....	9,576
Haverhill Bank, . . . .	100,000	71,723	14,814	6,080	13,908
Merrimac, Haverhill, . . .	180,000	76,030	16,176	10,049	16,638
Hingham Bank, . . . .	105,000	90,148	13,477	.....	20,427
Bay State, Lawrence, . . .	200,000	142,914	11,223	270	33,658
Lancaster Bank, . . . .	125,000	115,724	12,226	.....	18,305
Lee Bank, . . . . .	100,000	100,524	12,844	2,271	4,858
Leicester Bank, . . . .	100,000	107,096	10,078	600	8,420
Lynn Mechanics, . . . .	150,000	99,395	15,008	3,810	31,020
Lowell Bank, . . . . .	200,000	179,990	31,913	140	41,290
Appleton, Lowell, . . . .	100,000	111,838	7,064	.....	25,940
Rail Road, Lowell, . . . .	600,000	461,420	95,612	166	20,581
Marblehead Bank, . . . .	120,000	57,367	821	.....	7,608
Grand, Marblehead, . . . .	100,000	57,893	4,128	116	5,578
Millbury Bank, . . . . .	50,000	30,413	2,290	.....	8,418
Adams Bank, . . . . .	100,000	81,385	19,078	3,286	9,190
Northampton Bank, . . . .	200,000	176,012	37,424	360	13,752
Holyoke, Northampton, . . .	50,000	.....	.....	.....	.....
Pacific, Nantucket, . . . .	200,000	130,794	34,336	1,590	81,418
Ocean, Newburyport, . . . .	100,000	93,004	20,733	181	32,274
Mechanics, " . . . . .	200,000	81,150	7,040	6,696	25,534
Merchants, " . . . . .	210,000	58,351	14,870	5,156	30,398
Bedford Commercial, . . . .	400,000	100,819	32,352	7,228	47,626
Marine, New Bedford, . . . .	300,000	114,325	24,071	6,325	68,403
Mechanics, " . . . . .	200,000	50,888	6,533	2,100	32,410
Merchants, " . . . . .	400,000	124,821	43,018	6,460	82,233
Oxford Bank, . . . . .	100,000	97,288	3,555	708	6,940
Pawtucket Bank, . . . . .	100,000	46,140	2,282	.....	50,463
Agricultural, Pittsfield, . . .	150,000	125,207	36,744	666	48,450
Plymouth Bank, . . . . .	100,000	109,836	14,130	.....	6,753
Old Colony, Plymouth, . . . .	100,000	98,002	17,314	.....	9,516
Quincy Stone Bank, . . . . .	100,000	60,173	15,910	.....	18,458
Randolph Bank, . . . . .	150,000	72,676	24,678	.....	40,160
People's, Roxbury, . . . . .	100,000	74,382	12,494	.....	44,600
Salem Bank, . . . . .	250,000	25,381	7,117	3,401	46,304

# Bank Statistics.

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Asiatic, Salem, . . .	\$200,000	\$101,517	\$21,768	\$5,295	\$49,412
Commercial, Salem, . .	200,000	60,851	20,153	4,776	25,370
Exchange, " . . .	200,000	86,393	12,461	15,988	31,037
Mercantile, " . . .	200,000	48,515	4,671	438	22,126
Merchants, " . . .	200,000	29,622	6,702	6,670	64,330
Naumkeag, " . . .	500,000	123,308	30,658	1,240	28,020
Powder River Bank, . .	100,000	81,453	4,418	.....	6,868
Southbridge Bank, . .	100,000	83,266	5,264	2,156	3,118
Springfield Bank, . .	250,000	105,518	34,191	1,468	36,276
Cabot, Springfield, . .	150,000	180,227	17,282	601	14,300
Agawam, " . . .	150,000	131,077	9,028	386	36,450
Chicopee, " . . .	250,000	212,909	16,520	3,771	69,903
Taunton Bank, . . .	200,000	93,266	17,368	19,873	70,585
Bristol Co. Taunton, . .	200,000	115,538	23,421	13,596	43,572
Machinists, " . . .	100,000	52,613	3,906	.....	14,358
Blackstone, Uxbridge, . .	100,000	61,826	4,591	.....	8,172
Hampshire Manufac. . .	200,000	158,455	6,558	36,674	25,094
Wareham Bank, . . .	100,000	43,218	6,370	11,041	40,280
Waltham Bank, . . .	100,000	98,276	8,063	.....	13,333
Worcester Bank, . . .	200,000	120,494	26,197	.....	74,504
Central, Worcester, . .	150,000	119,005	12,582	374	30,386
Citizens, " . . .	150,000	70,876	26,878	2,292	21,138
Quinsigamond, " . . .	100,000	76,905	13,501	1,027	42,140
Hampden, Westfield, . .	100,000	100,440	9,896	153	11,491
Wrentham Bank, . . .	150,000	82,575	6,633	.....	6,825
Barnstable, Yarmouth, . .	150,000	102,158	22,712	.....	14,586
Housatonic Bank, . . .	100,000	72,694	29,612	802	8,826
Union Bk. Weymouth, . .	100,000	84,987	12,454	413	4,715
Total, 86 Banks, \$14,005,000		\$8,244,795	\$1,317,777	\$216,647	\$2,434,424

COUNTRY BANKS.	Coin.	Real Estate.	Bk. Notes & Bal.	Loans.	Div. 1848.
Andover Bank, . . .	\$8,056	\$5,000	\$14,623	\$356,660	3 3½
Attleborough Bank, . .	3,238	3,900	6,445	152,221	3½ 3
Beverly Bank, . . .	5,608	690	24,660	202,649	3 3
Bank of Brighton, . .	11,667	2,474	30,050	475,594	4 9
Bunker Hill, . . .	29,413	20,000	69,537	367,600	5 4
Cambridge Bank, . . .	5,125	6,000	14,550	170,750	3½ 3
Charles River Bank, . .	10,946	.....	28,943	195,228	3 3
Neponset Bank, . . .	3,331	.....	5,221	170,231	3 3
Concord Bank, . . .	8,568	2,400	16,358	176,574	3½ 3½
Danvers Bank, . . .	2,220	4,700	10,808	213,424	3 ..
Village, Danvers, . .	2,475	600	15,750	188,615	3 3
Warren, " . . .	4,304	.....	24,133	188,122	3 3
Dorchester and Milton, .	4,824	.....	16,045	152,323	3 3
Dedham Bank, . . .	11,403	.....	22,945	293,598	4 4
Fairhaven Bank, . . .	3,911	3,500	14,230	261,617	3½ 3
Falmouth Bank, . . .	3,508	3,950	9,458	150,852	3 3
Fall River Bank, . . .	8,500	8,718	15,566	448,543	4 4
Massasoit, Fall River, .	7,781	.....	24,182	142,473	3 3
Framingham Bank, . .	6,058	2,000	5,340	296,026	4 4
Fitchburg Bank, . . .	17,817	1,400	51,974	296,296	3½ 10
Gloucester Bank, . . .	10,532	11,635	30,442	337,471	4 4
Manufacturers Bank, . .	3,507	1,200	15,252	141,402	3 3
Greenfield Bank, . . .	8,296	2,685	61,283	286,972	4 4
Mahawie Bank, . . .	6,210	2,734	40,147	151,653	.. ..
Haverhill Bank, . . .	4,480	5,000	4,006	193,038	5 4½
Merrimac, Haverhill, . .	3,748	2,000	3,458	289,687	3 4
Hingham Bank, . . .	7,461	10,768	17,747	193,076	4 4

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Bay State, Lawrence, . .	\$7,532	\$19,802	\$34,147	\$326,584	2	..
Lancaster Bank, . . .	4,908	1,000	24,817	240,530	3	3½
Leicester Bank, . . .	3,342	1,000	27,938	193,912	4	4
Lee Bank, . . . . .	5,114	2,330	37,518	175,537	3	4
Lynn Mechanics, . . .	9,628	10,000	17,410	262,196	4	4
Lowell Bank, . . . .	4,281	.....	84,645	364,406	4	4
Appleton, Lowell, . .	5,547	8,700	31,170	199,425	6	..
Rail Road, Lowell, . .	24,212	.....	26,976	1,126,590	4	4
Marblehead Bank, . .	8,864	6,000	7,046	163,887	3	..
Grand, Marblehead, . .	3,179	8,700	7,048	148,787	2½	2½
Millbury Bank, . . .	2,541	.....	14,220	74,360	3	3
Adams Bank, . . . .	5,250	2,000	15,610	190,078	3½	3½
Northampton Bank, . .	8,796	.....	44,040	374,713	4	4
Holyoke Bank, . . . .	50,000	.....	.....	.....	..	..
Pacific, Nantucket, . .	15,692	20,846	55,562	356,038	3	3
Ocean, Newburyport, . .	12,326	2,500	30,656	200,710	5	5
Mechanics, " . . . .	8,348	9,000	16,994	286,077	3	3
Merchants, " . . . .	10,221	6,000	37,507	265,037	3	3
Bedford Commercial, . .	5,571	18,000	15,820	548,634	4	3
Marine, New Bedford, . .	6,425	10,000	41,290	455,410	3½	3
Mechanics, " . . . .	2,865	9,060	5,634	274,432	3	3
Merchants, " . . . .	5,664	16,000	13,292	621,575	3½	3½
Oxford Bank, . . . .	6,002	1,888	42,294	158,307	3	3
Pawtucket Bank, . . . .	2,966	15,924	18,690	161,305	3½	3½
Agricultural, Pittsfield, .	13,154	1,460	57,330	239,153	4	5
Plymouth Bank, . . . .	3,180	3,200	25,026	199,312	3½	3½
Old Colony, Plymouth, .	1,534	2,500	23,455	197,343	4	4
Quincy Stone Bank, . .	7,470	4,850	13,154	169,066	4	4
Randolph Bank, . . . .	5,841	.....	9,250	272,424	3½	4
People's, Roxbury, . . .	10,538	.....	22,932	198,005	..	..
Salem Bank, . . . . .	4,100	3,378	24,496	300,228	3	3
Asiatic Bank, Salem, . .	10,267	.....	64,568	303,155	3	3
Commercial, " . . . .	4,130	4,500	5,693	296,831	3	3
Exchange, " . . . .	5,126	4,000	3,338	333,420	3	3
Mercantile, " . . . .	4,456	8,105	14,615	248,575	3	3
Merchants, " . . . .	4,302	.....	25,315	277,756	3	3
Naumkeag, " . . . .	20,244	.....	29,171	633,812	3½	3½
Powder River Bank, . .	4,827	.....	18,033	169,888	3	3
Southbridge Bank, . . .	3,947	10,910	1,676	177,271	3	3
Springfield Bank, . . .	7,765	6,700	40,744	372,243	3½	3½
Cabot, Springfield, . . .	6,276	.....	51,054	305,090	3½	3½
Agawam, " . . . . .	7,474	6,973	56,808	255,686	4½	5
Chicopee, " . . . . .	19,685	7,000	34,250	492,174	4	10
Taunton Bank, . . . .	6,660	5,000	18,097	371,336	4	3½
Bristol Co. Bank, . . . .	8,261	11,000	13,308	363,557	4	4
Machinists, Taunton, . .	4,064	2,000	23,110	141,702	3	..
Blackstone, Uxbridge, . .	5,446	585	21,521	147,038	3	3
Hampshire Manufac. . . .	9,806	3,785	20,970	392,220	3½	8
Wareham Bank, . . . .	1,602	7,338	3,496	188,472	3	3
Waltham Bank, . . . .	6,483	5,500	26,257	181,433	3	3
Worcester Bank, . . . .	24,050	.....	45,898	351,247	3	3
Central, Worcester, . . .	9,940	.....	40,708	261,698	3½	9
Citizens, " . . . . .	13,476	.....	3,561	254,146	3	3
Quinsigamond, " . . . .	11,334	.....	47,814	174,426	3	3
Wrentham Bank, . . . .	6,043	1,020	12,472	226,497	3	3
Hampden, Westfield, . .	6,127	3,500	16,224	196,130	3½	3½
Barnstable, Yarmouth, . .	4,934	2,000	12,710	269,811	4	4
Housatonic Bank, . . . .	5,200	2,000	34,942	169,893	4	4
Union Bk. Weymouth, . .	2,210	6,514	14,162	179,683	4	3½
Total, 86 Banks, . . . .	\$692,225	\$384,851	\$2,119,554	\$23,022,023		

*Boston Bank Dividends from 1845 to 1849.*

	Year, 1845.	Year, 1846.	Year, 1847.	Year, 1848.	April, 1849.
Merchants Bank, . . . . . \$3,000,000	7	7	7	8	4
State Bank, . . . . . 1,800,000	6	6	6	6½	3½
City Bank, . . . . . 1,000,000	6	6	6	7	3½
Globe Bank, . . . . . 1,000,000	6	6½	7	7½	4
New England Bank, . . . . 1,000,000	6	6	8	8	4
Suffolk Bank, . . . . . 1,000,000	8	8	10	10	5
Boston Bank, . . . . . 900,000	7	7	7	8	4
Massachusetts Bank, . . . . 800,000	5.4-5	6	6	6	3
Union Bank, . . . . . 800,000	6	6	7	7	3½
North Bank, . . . . . 750,000	6	6	6	6	3
Market Bank, . . . . . 560,000	8	9	9½	10	5
Atlantic Bank, . . . . . 500,000	6	6	6½	7	4
Atlas Bank, . . . . . 500,000	6	6	6½	6½	3½
Columbian Bank, . . . . . 500,000	5½	6	6	7	4
Eagle Bank, . . . . . 500,000	6½	6½	6½	7	3½
Exchange Bank, . . . . . 500,000	..	..	new	8½	4
Granite Bank, . . . . . 500,000	6	7	6½	7	3½
Hamilton Bank, . . . . . 500,000	6	7	7	7	3½
Shawmut Bank, . . . . . 500,000	6	6½	7	7½	3½
Shoe and Leather Dealers, . . 500,000	6½	7½	8	9	4½
Tremont Bank, . . . . . 500,000	6	6	6½	7	3½
Washington Bank, . . . . . 500,000	5½	6	6½	6½	3
Traders Bank, . . . . . 400,000	6	6	7	7½	4
Grocers Bank, . . . . . 250,000	..	..	..	new	4
Freemans Bank, . . . . . 200,000	7	8	8	8½	4½
Boylston Bank, . . . . . *200,000	new	5	8	8½	4
Mechanics Bank, . . . . . 120,000	7	8	8	8	4
Capital, 1849, . . . . . \$19,230,000					
Dividend for 1846, . . . . \$1,196,000				Dividend for 1848, . . . . \$1,423,350	
" 1847, . . . . 1,231,300				" April, 1849, . . . . 736,800	

## BANK ITEMS.

**DAYTON STATE BANK.**—Charles G. Swain, Esq., has been chosen Cashier of the State Branch Bank, Dayton, Ohio, in place of David Z. Peirce, Esq., resigned.

**BANKS OF PENNSYLVANIA.**—The recent session of the Legislature of Pennsylvania terminated in April. Acts were passed extending the charters of the following Banks:

Farmers and Mechanics Bank, Philadelphia.	The Honesdale Bank.
Commercial Bank of Penn. "	Bank of Chester County.
Farmers and Drovers Bank, Waynesburg.	Columbia Bank and Bridge Co.
Bank of the Northern Liberties.	Lancaster Bank.
Bank of Montgomery County.	Bank of Delaware County.
Monongahela Bank, Brownsville.	Franklin Bank of Washington.
Bank of Chambersburg.	Bank of Germantown.

Acts were passed also to incorporate the following:

The Bank of Danville.  
The Society to develop the Mineral Resources of the United States.  
The Citizens Insurance Co. of the City of Pittsburgh.

\* Capital increased \$50,000 since October, 1849.



**NEW BANKS IN MASSACHUSETTS.**—Acts have been passed by the Legislature of Massachusetts, incorporating the following new Banks:

The Cape Cod Bank.	The Cochituate Bank.
The Western Bank.	The Worcester County Bank.
The Mattapan Bank.	The Loughton Bank.
The Milford Bank.	Franklin County Bank.

**HUDSON RIVER BANK.**—Aaron B. Scott, Esq., late Teller, has been elected Cashier of the Hudson River Bank, at Hudson, New York, in place of Cary Murdock, Esq., resigned.

**MERCHANTS AND MANUFACTURERS BANK.**—The charter of the Merchants and Manufacturers Bank of Pittsburgh has been renewed for the period of ten years from November last, adding the individual liability of the stockholders for an amount equal to their shares. The price of the stock prior to the renewal was 41, against the par value, \$50. It is now in demand at par.

## MISCELLANEOUS.

**NEW LAW RESPECTING PROMISSORY NOTES.**—The following Five Sections constitute part of a law passed by the Legislature of Pennsylvania on the 5th of April, 1849, "in reference to Promissory Notes, Counterfeit Endorsements," &c.

**SEC. 7.** That from and after the passage of this Act, in all cases where suit is brought in any of the Courts of this Commonwealth, upon or for the recovery of the amount due on any Promissory Note, Post Note, Note of Hand, Due Bill, Bill of Exchange, Draft, Order, Check, or other instrument of writing in the nature thereof, no plea shall be held to be available, and no defence shall be made or taken by the defendant or defendants for want of proper and timely demand of payment or acceptance, or proper and timely protest for, and notice of non-acceptance or non-payment of the same, unless the respective places where such demand is to be made, and where such notice is to be served or given, or the names and residences, or places of business of the respective parties thereto, shall be legibly and distinctly set forth thereon.

**SEC. 8.** That when such places of demand and notice, or such names, residences, or places of business are omitted to be set forth as aforesaid, demand of acceptance, as well as protest for, and notice of non-acceptance may be made and given at any time before maturity of such instrument, or instruments as require acceptance, and demand of payment, as well as protest for, and notice of non-payment of the same, at any time after maturity thereof, and before suit is brought thereon.

**SEC. 9.** That in all such cases of omission as aforesaid, Promissory Notes, Post Notes, Notes of Hand, Due Bills, and such like instruments, shall be held to be payable and protestable at the place where they are dated, and if they contain no place of date, then at the place where they are deposited or held for collection, and Bills of Exchange, Drafts, Orders, Checks, or other instruments or securities, in the nature thereof, shall be held to be acceptable, payable, and protestable at the place where the same shall, or may be addressed to the drawee or drawees.

**SEC. 10.** That whenever any value or amount shall be received as a consideration in the sale, assignment, transfer, or negotiation, or in payment of any Bill of Exchange, Draft, Check, Order, Promissory Note, or other instrument negotiable within this Commonwealth by the holder thereof from the endorsee or endorsees, or payer or payers of the same, and the signature or signatures of any person or persons represented to be parties thereto, whether as drawer, acceptor, or endorser, shall have been forged thereon, and such value or amount by reason thereof, erroneously given or paid, such endorsee or endorsees, as well as such payer or payers respectively shall be legally entitled to recover back from the person or persons previously holding or negotiating the same, the value or amount so as aforesaid given or paid by such endorsee or endorsees, or payer or payers respectively to such person or persons, together with lawful interest thereon, from the time that demand shall have been made for repayment of the same.

**SEC. 11.** That all Bills of Exchange, Drafts, Orders, Checks, Promissory Notes, or other instruments in the form, nature, or similitude thereof, that shall or may hereafter be made, or be drawn or endorsed to order within this Commonwealth, upon any person or persons, body politic, or corporate, co-partnership, firm or institution of or in, or that shall be made payable in any other state, territory, county, or place whatsoever, for any sum or sums of money, with the current rate of exchange in Philadelphia or such other place within this Commonwealth where the same may bear date, or in current funds, or such like qualification superadded, shall be held to be negotiable by endorsement, and recoverable by the endorsee or endorsees in his, her, or their own name or names in the same manner, to all intents and purposes, as bills of exchange and promissory notes formally drawn and ordinarily in use and negotiable within this Commonwealth, are now by law recoverable therein.

**MANUFACTURED GOLD AND SILVER.**—In a recent American work, "Comstock's History of Gold and Silver," we find this table, each item of which is in a preceding portion of the work separately considered, and the *data* upon which the amount is estimated are given. It is a curious table, certainly, and as an approximation to the truth, may, we suppose, be received with some confidence.

*Estimated amount of the consumption and use of the Precious Metals in the United States for other purposes than Coin.*

Silver Tea Spoons, . . .	\$36,000,000	Silver Sugar Bowls and Tumblers, . . .	\$1,000,000
Silver Table Spoons, . . .	27,000,000	Gold Finger Rings, . . .	16,750,000
Silver Table Forks, . . .	4,500,000	Gold Bosom Pins, . . .	14,000,000
Plate, Dining Services, . . .	5,500,000	Gold Chains, . . .	12,000,000
Gold Watches at \$16, . . .	16,000,000	Gold Beads, . . .	4,000,000
Gold Watches at \$9, . . .	8,000,000	Gold Thimbles, . . .	1,200,000
Silver Watches at \$2, . . .	4,000,000	Silver Thimbles, . . .	450,000
Communion Silver, . . .	1,229,416	Gold Bracelets, . . .	3,000,000
Gold Pencils, . . .	2,000,000	Gold Lockets, . . .	1,000,000
Silver Pencils, . . .	1,200,000	Gold Pens, . . .	250,000
Silver Spectacles, . . .	750,000	Gold Leaf, . . .	404,000
Gold Spectacles, . . .	2,000,000	Gold Foil, . . .	180,000
Gold Watch Keys and Seals, . . .	150,000		
Silver Pitchers and Tea Pots, . . .	2,000,000		
Waiters, Coffee Pots, . . .	1,000,000	Grand Total, . . .	\$165,563,416

This confirms a current opinion, that for every dollar of coin there are two dollars of gold and silver existing in manufactures.—[E.D. B. M.]

**FOREIGN INSURANCE AGENCIES.**—The law subjecting foreign insurance companies to special taxation is thus analyzed by the Journal of Commerce:—

*Foreign Insurance Agencies.*—The law enacted by the last Legislature, imposing a tax of two per cent. upon the amount of premiums on fire risks in this city taken in behalf of underwriters not incorporated by the laws of New York, requires the agent of such foreign underwriters, before entering upon the business of his agency, to execute a bond to the fire department of this city, in the penalty of \$1,000, conditioned that he shall, on the second day of February in each year, render a true account, verified by oath, of the premiums received by him, and pay two per cent. on the amount thereof, to the treasurer of the fire department. The agent is further required to report at the same time to the State Comptroller and to the fire department his place of business, and the name and locality of the association for which he acts. And for default to comply with either of these provisions, he is subjected to a penalty of \$1,000, for the use of the city fire department.

A like tax is imposed on such agencies in every city or incorporated village in the State, for the use of the fire department thereof; and its collection is provided for by similar stringent provisions. But without this city, the penalty of the bond is fixed at only \$500; and the penalty for neglect to inform the State Comptroller and fire department, in respect to the locality of the agency and its principal, is limited to \$200.

**IMPORTANT FACTS.**—We learn from the Adams County (Pa.) *Sentinel*, that the stoppage at Wilkesbarre, and the partial stoppage at Duncannon in that State, will diminish the receipts of the State on the Canals and Rail Roads, *fifty thousand dollars per annum*; and further, the toll required and paid on bar iron on the Pennsylvania Canal is greater than the freight paid on it from Europe. The county of Alleghany, (Pa.) subscribed one million to the Central Rail Road, but not one cent of it can be paid while the present tariff remains, for it renders the stock wholly unavailable. This result is produced by the immense importation of iron from England and Scotland which drives the American article entirely from the American market.

These facts are presented for the serious reflection of the people in this region of Maryland. The Chesapeake and Ohio Canal is to be completed by August or Sept., 1849. Well, suppose it to be finished. Iron and Coal are then expected to yield the tolls to pay off the heavy load of debt under which the State has so long been groaning in bitterness of spirit. Now if England and Scotland can furnish the iron which our iron works expect to send to market, at lower rates than we can manufacture it, whence are to come the tolls to liquidate the State debt? And if Nova Scotia Coal can successfully compete with the product of the Alleghany mines, what will be the fate of that noble work, the Chesapeake and Ohio Canal? These we say are matters for serious reflection. We have no doubt they will be viewed by many in the same light. But there is a portion of our fellow citizens, who are most deeply interested in this matter—we mean some of the laboring men at the mines and the iron works—who, until brought to a state of starvation, if then,—such is the force of prejudice—will not believe that the tariff has anything to do with the condition of the Coal and Iron business.—*Cumberland Civilian*.

**LONDON MONEY MARKET, April 13.**—Since the payment of the dividends, money has become extremely abundant, both on loans for short time, and discount on bills at and under three months. American Stocks—sales continue of United States 6 per cent. at 106  $\frac{1}{2}$  and 106  $\frac{1}{4}$ , and within the last two days \$100,000 have been placed at 106  $\frac{1}{4}$ . Massachusetts Sterling have been done at 102 ex. div., and Pennsylvania at 78, at which price there are sellers. Buyers of Maryland at 84. No New York or Ohio for sale. Canada six per cent. Bonds offered at par, and 5 per cents. at 90.—*Baring's Circular*.

**THE MARYLAND GOLD MINE.**—The following results, in connection with this interesting discovery, have been handed us by the proper authority. We may here repeat what was announced in a former number of this paper, that the mine is situated in Montgomery county, Maryland, upon the farm of Mr. Ellicott, and that several specimens were placed in the hands of Mr. Eckfeldt, assayer of the mint, for analysis. The investigation was undertaken by him, because such a discovery, especially as it promised to add another State to our gold region, was a matter of public interest, and had a bearing upon mint operations.

There were a number of samples of good size presented, all exhibiting the same general character; a ferruginous quartz, such as is commonly seen in the mining region farther south, dotted more or less with visible gold. The result proved, however, that the larger proportion of the precious metal was disseminated through the rock, in extremely fine particles, as is usual in ores of this class. Three of these specimens were selected at random.

The first, about five ounces, yielded at the rate of 744 grains of gold per cwt.

The second, about nine ounces, gave 960 grains per cwt.

The third, about twenty-eight ounces, 206 grains per cwt.

And from No. 3 about one ounce was selected, as the most unfavorable portion, being white quartz, nearly or quite free from iron, which gave 33 grains per cwt.

The fineness of this gold, by assay, was 952 thousandths; consequently its value is 4.1-10 cents per grain.

It is important to add, for general readers, that the above are results of a delicate analysis. What proportions can be realized, in larger and coarser operations, is another inquiry, to be answered by the practical miner.—*Philadelphia Bulletin*.

CENSUS OF 1850.—*An Act to make arrangements for taking the Seventh Census.*

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of State, the Attorney General, and the Postmaster General shall constitute and be a Board, to be styled the Census Board; that it shall be the duty of the said Board to prepare and cause to be printed such forms and schedules as may be necessary for the full enumeration of the inhabitants of the United States; and also proper forms and schedules for collecting in statistical tables, under proper heads, such information as to mines, agriculture, commerce, manufactures, education, and other topics, as will exhibit a full view of the pursuits, industry, education, and resources of the country; it being provided that the number of said inquiries, exclusive of the enumeration, shall not exceed one hundred, and that the expense incurred in preparing and printing said forms and schedules shall not exceed ten thousand dollars.

*Sec. 2. And be it further enacted,* That the said Board shall have power to appoint a secretary, whose remuneration shall be determined by Congress, upon the completion of the duties assigned to the Board.

Approved, March 3, 1849.

THE MINERAL RESOURCES OF ALABAMA.—The *Mobile Herald* after speaking of the valuable marble deposits found in that State, says:—In the immediate vicinity of this quarry, iron ore of great richness, bituminous coal, similar to that of Tuscaloosa, and immense quantities of limestone, are found. This region is also finely timbered. Pine, cedar, oak, poplar, cherry, walnut, &c. suitable for cabinet furniture, houses, mills, steamboats, ships, &c. can be obtained in large quantities at accessible points; all of which, put into flatboats and rafts, could be safely and rapidly sent to market. Throughout this region, too, any amount of water power, on the Cahawba river as well as its tributaries, can be used for all kinds of mills and manufactories. Neither is any portion of the Union more noted for a mild, agreeable, and healthy climate; and besides, there is a sufficiency of land to produce all the breadstuffs and provisions needed for a large population.

## Notes on the Money Market.

NEW YORK, 26 APRIL, 1849.

There is but little relief in the money market since the publication of our last No. Negotiable paper of the best character is yet sold in Wall Street and State Street at 8 to 9 per cent. Causes yet unexplained have been at work for the last six or twelve months to produce this condition of things. Foreign Exchange is in our favor. There has been a large export of Cotton to Europe during the present season amounting to not less than 1,500,000 bales from 1 September to the middle of April. Thus we exhibit an export to Europe alone in 1849 of more Cotton than the *entire crop* produced for the same period in 1846-7. Great Britain has taken from us this season not less than 1,100,000 bales up to this date, against 700,000 bales for the same period last year. Our exports of Grain are yet larger, exhibiting for the seven months ending April 1, the following shipments to Great Britain alone.

	<i>Bbls. Flour.</i>	<i>Bbls. Corn Meal.</i>	<i>Bus. Wheat.</i>	<i>Bus. Corn.</i>
Seven months, 1848-9, .	763,000	65,000	957,000	7,700,000
Seven months, 1847-8, .	155,000	83,000	215,000	2,056,000

Here are shown exports of Cotton to an amount not less than forty-five millions of dollars, and Bread Stuffs not less than ten millions, with four months of the year unexpired.

The home demand for Cotton is likewise rapidly increasing, thus indicating beyond question the success of our Cotton Factories at the South and the North. The North has already taken this season from the South, above 500,000 bales of Cotton. *The Plough, the Loom, and the Anvil*, are at work in all quarters of the Union. Two Liverpool steamers have brought to New York and Boston this month above \$750,000

in coin, being the beginning only of an accumulation from Europe for our bank vaults.

There is a fair demand for American securities in England and on the Continent. U. S. six per cents. are producing 1.06 in Europe, with  $7\frac{1}{2}$  per cent. exchange, equivalent to 113-14. Every steamer and packet carries out U. S. stocks, Ohio, New York and Pennsylvania bonds, to meet foreign orders.

The London money market is plethoric. Three per cent. is the best rate at this time, and bills have been recently done at  $2\frac{1}{2}$  per annum. The whole continent of Europe is disturbed by intestine commotions, and the shrewd and the cautious are looking abroad for places of safety for their wealth.

These facts are before us. They admit of no question: yet money is worth ten per cent. in Boston and New York—and is scarce in all the Atlantic cities. There must be a variety of causes to produce this pressure: and among these we may name over trading and long credits; and the temporary absorption of a few millions for California. This latter will soon be remedied by the return of *cent per cent.* and perhaps four-fold.

Boston and New York for the time being absorb a portion of the capital of Baltimore and Philadelphia, and other Southern cities. The paper held in Boston, due by Baltimore, is sent forward for discount, at any rates, when Boston is pressed, and although a re-action eventually occurs, yet Baltimore is compelled to feel the pressure existing at the North. This remark may be likewise made as to Richmond, Cincinnati, Louisville and St. Louis.

There has been a demand for increased bank capital in Massachusetts. Several new Banks have been chartered during the present session of the Legislature, and a large number of the old institutions have petitioned for an increase of capital, which has been granted in nearly every instance.

We refer our readers to the extracts from the able Report of Mr. Fillmore, late Comptroller of the State of New York. In this Report he recommends the adoption of U. S. stocks in part as a basis of circulation; and the adoption by other States of their own securities added to those of the general government, as a general security for bank circulation. A specie circulation is so generally discountenanced, for government purposes, that the Treasury will, we hope, recommend such measures to Congress as will furnish a *secure paper medium*. Such a circulation is entirely practicable, guarding against any loss on the part of the people or that of the Treasury; and at the same time placing the coin of the country where it belongs, in the vaults of the banks to the credit of private capitalists.

We have given place in our present No. to two valuable contributions upon California—the first, from the pen of J. Morrison Harris, Esq., of the Baltimore bar, upon the history and resources of California; the second, from an able English journal, upon the policy of the British government in reference to that newly acquired territory. More space will be devoted in our forthcoming Nos. to recent law cases respecting banks and banking, and to papers upon bank history and bank statistics. Among these will be found accounts of the Bank of North America, the London and Westminster Bank, and the new British Bank.

We omit our usual tables of stocks. There are no important changes among these. Pennsylvania fives have advanced to  $82\frac{1}{2}$ , which is equivalent to par for a six per cent. stock. Sales of Philadelphia six per cents. at  $101\frac{1}{2}$ . Baltimore six per cents.  $100\frac{3}{4}$  a 101. U. S. six per cents. of 1868 at  $112\frac{1}{2}$ .

There is a perceptible influx of coin at New York from the West. The Boston and New York banks have declared dividends within thirty days to the amount of more than a million. Exchange on London has advanced to  $107\frac{1}{4}$  a  $107\frac{1}{2}$ , and we may hope for a gradual reduction of the stringency in the money market, which all classes have been compelled to feel for the last few months.

#### DEATH.

At Hudson, New York, on the 28 March last, James Duff, Jr., Esq., aged 31 years, Cashier of the Farmers Bank of Hudson.

THE  
BANKERS' MAGAZINE,  
AND  
State Financial Register.

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Vol. III. JUNE, 1849. No. XII.  
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ON THE PRODUCTION OF GOLD AND SILVER AND  
ITS FLUCTUATIONS.

BY BARON ALEXANDER VON HUMBOLDT.

Translated for the Bankers' Magazine, from the Journal des Economistes, March,  
April, May, 1848.

[Continued from p. 595, April No.]

At Zacatecas, a single vein, *la Veta Grande*, which has been worked since the 16th century, and which up to 1738 furnished often in one year as much as 3 million piastres, has put in circulation the masses of metal, as below :

1828,	117.268	marcs of silver [=	59.572	lb. avdp.
1829,	235.741	" "	119.706	" "
1830,	279.288	" "	141.878	" "
1831,	272.095	" "	138.224	" "
1832,	258.498	" "	131.317	" "
1833,	209.192	" "	106.270	lb. avdp.]

Guanaxtato which, it is true, used to furnish even in my time as much as 755.000 marcs of silver [383.500 lbs. avdp.] a year, has on the other hand fallen latterly to less than the half of this yield. Thus it gave in

GOLD.				SILVER.			
1829,	852	marcs	[433 lb. avdp.	269.494	marcs	[136.903	lb. avdp.
1830,	1058	"	537 "	294.386	"	144.468	" "
1831,	622	"	316 "	258.500	"	131.318	" "
1832,	1451	"	737 "	300.612	"	152.711	" "
1833,	1144	"	581 lb. avdp.]	316.024	"	160.540	lb. avdp.]

Whenever these superb countries, favored by nature in so many regards, shall come, after a long fermentation and profound internal

agitations, to enjoy peace—new metallic deposits must necessarily be opened and developed in the cultivation of the soil. In what region of the globe, outside of America, can be cited examples of wealth in silver so abundant? Let it not be forgotten that near Sombrereta, where some mines were opened as far back as 1555, the family of Fagoaga (Marquesses of Apartado) have derived, in the short space of five months, from a front of 16 toises [102 feet English] in the outcrop of a silver mine, a net profit of 4 million piastres; and that in the mining district of Catorça in the space of two years and a half (1781–1783) in ground full of mines of chloride of silver and of *colorados*, which the common people call *the purse of God* (la bolsa de Dios padre) an ecclesiastic, Juan Flores, made likewise a gain of 3½ million piastres.

The production of *gold* in Spanish and Portuguese America has diminished in much greater proportion than that of *silver*; but such diminution dates from an epoch long anterior to the political troubles of the tropical regions. I have already adverted in another place\* to the error existing till the beginning of this century as to the duration of the richness of the Brazilian washings, and how the flourishing state of these workings (from 1752 to 1773) has been confounded with its subsequent condition. The report of the *Bullion-Committee*, so important for the history of commerce, began to throw some light on this subject.† I am indebted for the most authentic information to the private communications of the former Director-General of Mines, Baron von Eschwege. Jacob's work upon precious metals contains only additions of little moment.‡ From 1752 to 1761, the gold-workings of Minas Geraes, upon the returns of the fifth part for royalty, oscillated between 6400 and 8600 kilogrammes [14.000 and 19.000 lbs. avdp.] (The Portuguese *arroba* is equal according to Franzini to 14,656 kil.) [Balbi says 14,686½ kil. — 32,378 lbs. avdp.] This yield is certainly very considerable and much above that of the Ural and Altaï, [until 1838; when the yield from the Russian districts equalled the higher of the Brazilian numbers;] but we must remember that in 1804, Spanish America gave likewise nearly 10.400 kilog. of gold, as under :

New Granada, . . . . .	4700 kil.	[10.340 lb. avdp.]
Chili, . . . . .	2300 "	6.160 "
Mexico, . . . . .	1600 "	3.520 "
Peru, . . . . .	790 "	1.716 "
Buenos Ayres, . . . . .	500 "	1.100 "
		10.380 kil. = 22.836 lb. avdp.]

The yield of the Minas Geraes had already fallen, at a mean among the years

1785 – 1794, to 3300 kil.	[7260 lb. avdp.]
1810 – 1817, 1600 "	3520 "
1818 – 1820, 423 "	932 lb. avdp.]

\* Essai Polit. t. iii. pp. 448 – 452.

† Report of the Bullion-Committee of 1810. Append, 17 – 22.

‡ Vol. ii. pp. 266 and 295.



The assertion of Chev. Schaeffer, that in 1822 only 24 arrobas [775 lbs. avdp.] went to the smelting furnace of Villa Rica agrees with the result given before. Since this period, the working of the Brazilian gold mines seems to have been a little stimulated by the industry of some English companies; but what has contributed more than the exhaustion of the mineral deposits to the decline of the gold washings, is the inclination to the culture of colonial products favored by the trade in slaves which always is kept up. Unauthorized commerce is so extensive in Brazil that it is much to be wished that some citizen there, thoroughly acquainted with the situation of the country, would charge himself with the task of elucidating the general relations of the annual production of gold since 1822.

It is a fact worthy of remark in the history of mining by Europeans, that since the gold-workings in Brazil have fallen so low, the product of this metal should have risen to an unexpected height in northern Asia and in the southern portions of the United States;—in this last country, it is true, but transiently. The chain of the Ural prolonging itself under the same meridian, like a wall, from Oust-out in the northern part of the isthmus of Truchmena up to the Icy Sea, and even according to the excellent observations of the botanist, Alexander Schrenk, and of Baer, to the islands of Waigatz and to Nova Zembla, yields gold in an extent of more than 17 degrees of latitude. Though in 1821 and 1822, the Ural furnished only 27 or 28 poods [973,8 lb. to 1009,9 lb. avdp.] the ratio of its auriferous sands rose in the three following years, 1823–4 and 5 successively to 105, 266 and 237 poods [3787 lb., 9594 lb. and 8548 lb. avdp., respectively.] According to a table of the precious metals mined in the Russian Empire and obtained pure at the mint of Saint Petersburg, a table which has been sent to me in MS. by Count Cancrin, Minister of Finance of Russia, the production of gold was in

1828,	290 poods	39 pounds	[10.494,77 lb. avdp.
1829,	289 "	25 "	10.446,08 "
1830,	347 "	27 "	12.539,80 "
1831,	352 "	2 "	12.697,59 "
1832,	390 "	31 "	12.709,29 "
1833,	368 "	27 "	13.297,23 "
1834,	363 "	10 "	13.101,56 lb. avdp.]

[These quantities differ from what has been more recently officially published; and the following more complete table is therefore annexed.\*

The discovery of gold in the Ural dates back to 1819: the auriferous sands of Siberia were not developed until 1829. Since then the yield has been

1819,	40 poods	9 pounds	55 zolotnics	:	1451,34 lb. avdp.
1820,	44 "	3 "	— "	:	1599,68 "
1821,	52 "	4 "	65 "	:	1879,73 "
1822,	79 "	21 "	36 "	:	2865,61 "
1823,	125 "	19 "	79 "	:	4526,32 "
1824,	228 "	13 "	38 "	:	8235,49 "

\* Tooke : History of Prices, p. 451, ed. 1848.

	1825,	257 poods	12 pounds	54 zolotnic	:	9280,70 lb. avdp.
	1826,	257 "	25 "	15 "	:	9292,90 "
	1827,	307 "	30 "	95 "	:	11100,70 "
	1828,	317 "	39 "	44 "	:	11469,01 "
Epoch in Siberia:	1829,	314 "	31 "	1 "	:	11353,19 "
	1830,	378 "	15 "	79 "	:	13648,71 "
	1831,	396 "	29 "	37 "	:	14309,28 "
	1832,	410 "	8 "	61 "	:	14795,50 "
	1833,	403 "	22 "	71 "	:	14736,03 "
	1834,	406 "	4 "	64 "	:	14647,63 "
	1835,	413 "	1 "	8 "	:	14996,90 "
	1836,	426 "	3 "	74 "	:	15363,21 "
	1837,	469 "	20 "	75 "	:	16934,45 "
	1838,	524 "	36 "	69 "	:	18932,52 "
	1839,	525 "	6 "	38 "	:	18941,27 "
	1840,	585 "	15 "	60 "	:	21114,54 "
	1841,	681 "	20 "	34 "	:	24580,39 "
	1842,	950 "	26 "	68 "	:	34288,30 "
	1843,	1283 "	2 "	60 "	:	46277,09 "
	1844,	1341 "	25 "	60 "	:	48389,75 "
	1845,	1386 "	6 "	41 "	:	49995,50 "
	1846,	1722 "	29 "	87 "	:	62135,38 "
		14335 "	28 "	45 "	:	517054,72 "

The Russian pood is divided into 40 pounds; and the pound into 96 zolotnics. In the reduction, the pound is rated at 0,90169 lb. avdp. The aggregate amount is what is given in the authority quoted from. It will be seen from the table that the yield of the year 1846 is more than the aggregate of the 10 years preceding the Siberian epoch. Taking the value of our gold coin as the index, fine gold is worth per lb. avdp. 301,46 dollars; which may be called in round numbers 300 dollars per lb.: and the yield of 1846 was worth 18.640.614 dollars. The average yield of the whole 28 years is 18.466,24 lb. or 5.539.872 dollars.]

When, by order of the Emperor Nicholas, I made with my friends, Gustavus Rose and Ehrenberg, my expedition to Northern Asia, the extraction of gold by washing was restricted to that portion of the Ural which serves as the boundary of Europe. The Altaï (in Mongol, *the gold-mountains*, Altaïin-Oola\*) furnished only a small quantity (about 1900 marcs, say 950 lb. avdp.) which was extractible from the silver ores (containing also gold) of the rich mines of Schlangenberg or Smeïnogorsk, of Ridderski and of Syrianowski. But since 1844, this has been amply compensated for in Siberia. Beds of auriferous sand have been discovered entirely resembling those on the slopes of the Ural. The House of Popof, whose influence has been so beneficial to the commerce of the interior of Asia, has given here also a praiseworthy example. Of 398 poods of gold which the whole Russian Empire furnished in 1836,† 293 p. 26 pds. came from the Ural and 104 p. 15 pds. from the Altaï. [i. e. 75 and 25 per centum respectively.] In the

\* *Altaïin* is a genitive form of the Mongol tongue. Klaproth, *Memoires*, [Asiatic Memoirs] vol. ii. p. 382.

† Besides, in *platinum* from the Ural, 118 p. 2 pds. or 8269 marcs of Cologne.

year following, 1837, the workings in Eastern Siberia had become so extended that the Altaï gave 130 poods of washed gold; and the Ural (both from the Imperial and private mines) 309 poods. If to these be added 30 poods, extracted from the friable strata of the Altaï and of Nertschinsk, we have for the whole production of gold in Russia for 1837 an exact result of 469 poods. [This quantity is almost exactly the same with what is given in the preceding table. It may be added that of the whole aggregate of that table, there was furnished from the

Ural Imperial mines, . . . .	2926 P.	24 p.	32 z.	=	105.555,74 lb. avdp.
" Private mines, . . . .	4299	39	70		152.205,03 "
Siberian Imperial mines, . . .	1293	7	28		46.641,98 "
" Private mines, . . . .	5395	37	11		212.651,96 "
	<hr/>	<hr/>	<hr/>		
	14335	28	45	=	517.054,71 lb. avdp.

The proportion therefore of the Ural to the Siberian yield is as 257.760,77 lb. to 259.293,94 lb., which is a ratio of equality very nearly; and the productiveness of the Imperial mines to the private ones has been as 152.197,72 lb. to 364.856,99 lb., or nearly as 2 to 5. The whole of the gold from the Russian mines since 1819 to 1846, inclusive, is equivalent to a sphere of 9,36 feet in diameter.]

It is only very recently that we have had information upon the extraction, properly so called, of the beds of auriferous sand by a very distinguished geologist, my former comrade in the Southern Ural. Mr. Helmersen. The gold washed out for some years and in constantly increasing quantity in the Eastern part of the government of Tomsk does not belong to the great mass of mountain which we call the principal chain of the Altaï,\* which Ledebour, Bunge and Gebler have visited; and in which Mount Beloucha with its snowy peaks rises above the sources of the Catouïnia to a height of 11.000 feet, the level of the Wetterhorn and of the Peak of Teneriffe. The beds of sand mixed with gold shew themselves upon the two slopes; but more especially upon the eastern exposure of a little spur which the Altaï (whose direction is east and west) throws out to the north under the meridian of the lake of Telesk, and which is prolonged up to the parallel of Tomsk. My friend, Mr. Helmersen, says: "Upon the maps, this spur which contains gold capable of being washed out, is designated by the names of the Abassanki, the Kusnezki and the Alatan Mountains. In respect to direction, structure† and form, it has the most

\* This has been called, very improperly, the little Altaï. Mr. Helmersen partakes of my incredulity as to the existence of the great Altaï (Asiatic Fragments; vol. i. p. 28.) He says: "one of those wide and long vallies traversing the central chain of the Altaï, is the valley of the upper Buchtarma: it separates the northern portion, belonging to Russia, from the southern belonging to China. This southern part has been frequently and even very recently designated as the Great Altaï, as distinguished from the northern, called the Little Altaï. Apart from the impropriety of these denominations, which do not appear founded in nature, and which are not accepted by the inhabitants of those regions, they only serve to perpetuate the error which one map-maker hands over to another. The Chinese and the Russian Altaï make only one and the same whole; and there is no motive for considering them as two mountain chains different even in their direction."

† Helmersen, in the Bulletin of the Academy of S. Petersburg; vol. ii. p. 107. See also Erman; Reise, [Journey round the World] vol. ii. p. 19-21.

entire similarity with the Ural; it is, in fact, a repetition of the Ural upon a smaller scale. The analogy even holds that there also the eastern slope is rich in gold while the western is much less so. As it happens that this western slope is the side reserved for the crown, up to this time private undertakers only have realized a profit from the workings of the Alatan, the northern spur of the Altaï." Geologists, familiar with my researches upon the direction of the mountain-systems of inner Asia, and with the ingenious ideas of Elie de Beaumont upon the parallelism and the relative succession in age of the spurs and chains of mountains, cannot fail to recognize the importance of Mr. Helmersen's observations. I have not myself seen the northern deposits of the auriferous sand of the Altaï (of the Kusnezki) because my journey was from Tobolsk, by Tara and across the steppe of Barabinski, towards the western and southern Altaï; and thence towards the boundary point of China, Chounimaïlekhov, in the province of Ili north of the Lake Saïsan.

The auriferous sand of the Altaï is a little richer in *silver* than that of the Ural. Siberian establishments, strongly encouraged by the Imperial administration of the Mines, have even set up washing-concerns, [lavoirs,] for winter time; and the results of this new branch of industry are the more remarkable and satisfactory since the workmen are only voluntary and are well paid. According to very recent information which I owe to the Minister of Finance, Count Cancrin, there have been just discovered rich beds of sand both in the chain of Salairski and along the river Biriousa which separate the governments of Jeniseïsk and Irkoutsk.\* For the whole of Siberia, there have been already distributed 240 licenses to work the auriferous beds.

Such is the importance attributable in these later times to the current of gold from the East to the West; the changes in which current, it has been the principal object of these researches to indicate. The 469 poods [16.934 lb. avdp.] of gold from the Ural and the Altaï, the yield of the year of 1837 are worth in Prussian money 7.211.000 thalers [say 5.080.000 dollars.] This amount is only the one-eighth less than the product of the Minas Geraes in Brazil during the most favorable years of the brilliant period from 1752 to 1761; but it is almost one-third less than the precise product of New Granada, Chili and Mexico a short time before the commencement of the Revolution in Spanish America. When we consider the immense extent of the Siberian Continent and advert, too, to the rapid increase of the Ural mines during 1822, 1823 and 1824, we have ground for believing that the afflux of gold from Siberia, from the East to the West, from Asia to Europe has not attained its maximum. [We have the more ground for such anticipation when we see that the actual yield of the ninth year afterwards has nearly quadrupled that of 1837: and that the 20.000.000 dollars of 1846 almost equals the product of both gold and silver of Mexico in her palmiest state.] The yield of Eastern Siberia will augment perhaps

\* The village of Biriussinsk, upon the road from Kansk to Nijnei-Udinsk, occupies a very picturesque position between two very deep glens; even on the eastern side, the ground is very much broken up to the sandstone escarpments of Nijnei-Udinsk. (Erman, Handschriftliche Nachr. [Epistolary Correspondence.] )

more rapidly than the decrease of the *lavoirs* of the Ural; where have been worked at first and unfortunately in too hasty a manner, the richest beds of sand. In the hydrostatic methods used, there is undoubtedly wasted a large quantity of precious metal, attached as it is to grains of oxide of iron and other light substances. This is not the place to discuss if the ingenious mode proposed by Colonel Anossow, the intendant at Slatoust, which promises such excellent results and which consists in fusing the mineral with iron and treating the mass with sulphuric acid—is susceptible of employment on a large scale under all the circumstances of the size of the fused masses, the labor in transporting sand containing such a small per centage of gold, and the great quantity of fuel which would be required. Trials, long and well-directed, seem hitherto to pronounce against the practicability of this method.

The notions, which have been obtained in the last fifteen years, of the gold-riches still waiting to be derived from Northern Asia, make one involuntarily think of the Issedonians, the Arimaspians and those griffins, guardians of immense treasures, which Aristæus of Proconnesus and, two hundred years after him, Herodotus, have made so famous.\* I have had the good fortune to visit, in the Southern Ural, localities where, a few inches below the surface, have been discovered, near together, brilliant masses of gold of 13, of 15, and even of 24 Russian pounds: [11.7 lb., 13.5 lb. and 21.6 lb. avdp. respectively.]† It may be that masses much larger have been found formerly in the shape of rounded lumps and lying exposed on the surface. There would be nothing astonishing, then, if from the most remote antiquity, this gold has been gathered by a hunting and pastoral people,—if the report of riches so considerable, echoed afar and spread from the shores of the Euxine Sea to the Hellenic colonies who very soon had relations with the North-east of Asia beyond the Caspian Sea and Lake Aral.

The merchant Greeks and even the Scythians did not themselves penetrate as far as to the Issedonians; they trafficked only with the Argippæans. Niebuhr, in his researches upon the Scythians and the Getians (researches that have failed of confirmation from what we know at the present day of the difference of races and the affinities of languages among the people of Northern Asia) places the Issedonians and the Arimaspians to the north of Orenburg‡ and therefore just in that gold region now so well known, lying on the eastern slope of the Southern Ural. This opinion is supported in the solid work (quite re-

\* In the *Fragments of Alcman* which Mr. Welcker has commented on, as well as in those of Hecataeus and of Damastes, there is alike mention made of the Issedones. (Hec. Milet. Fragm. ed. Klausen. n. 168, p. 92.)

† The largest lump of gold found as yet in the Ural (at Alexandrowsk, near Miask) is 8 inches long by 5½ wide and 4½ thick. It weighs 24 pounds 69 zolotnic Russian [22.29 lb. avdp.] and is preserved at S. Petersburg in the magnificent collection of minerals of the Mining Corps. Among the lumps of platina of Nischne-Tagilsk (the property of Demidoff) have been found three weighing 13, 19 and 20 pounds Russian, respectively. Rose: *Reise nach dem Ural*, vol. i. p. 41.

‡ Klein *historische und philologische Schriften*; p. 361. (See also the *Herodotische Welt-tafel* of Niebuhr.)

cently published) by the Counsellor of State, Eichwald, under the title: \* *Ancient Geography of the Caspian Sea*. Heeren and Völker place the gold-region of Herodotus in the Altaï;† and, I confess, this opinion seems to me the more justified by the configuration of the localities. Herodotus describes a commercial route by which the gold of the Northern Altaï (or rather as I suppose the repute of this gold) might reach the Euxine by the intermediary Issedonians and Scythians.‡ To penetrate to the Argippæans with their bald heads, flat noses and large chins,|| the Scythians and the Greeks of the Pontic colonies had to have recourse in their commerce to seven interpreters of as many different languages.§

Since the discovery of such rich deposits of auriferous sand in the spur which the Altaï throws out to the North as far as the parallel of Tomsk, the opinion of the Arimaspians having inhabited a country east of the Ural and very far from this mountain-chain, gains certainly probability. In the conjecture of a learned and acute traveller, Adolph Erman, the myth of the *griffins* attaches to the fossil remains of the antediluvian pachyderms so frequently occurring in Northern Siberia, and in which the hunters believe they see the talons and head of a gigantic bird. If, concludes Mr. Erman, we will agree to see in this ancient tradition the prototype of the Greek myth, we have entire foundation for saying that the miners took the gold *from the bosom of the griffins*; for nothing is more common at this day, as formerly, than to meet with auriferous sand in strata containing fossils of the kind. However plausible this explication, there is one fact against it, viz. the mention of these fabulous creatures, the griffins, in the poems of Hesiod where under the form of monsters half lion, half eagle, they adorn the gates of Persepolis; and that they early reached Greece by way of Miletus.¶

A celebrated Russian academician, Mr. Gräfe, is inclined to regard a monster with enormous teeth—the *odontotyrannus* spoken of by the Byzantine Historians\*\* and by Julius Valerius whose works have been discovered by Mai—as a vague reminiscence of the Siberian mammoth, as a distant echo from the primeval world.†† This *tyrannus*, however,

\* Eichwald, like Reichard, derives the name *Issedonian* from the river *Isset*; and regards this people as a tribe of the Vogul.

† Heeren: *Ideen über Politik und Verkehr*; vol. i. sec. 2, p. 281—287, ed. 1824.

‡ Völker: *Mythische Geographie der Griechen und Römer*; vol. i. p. 188 and 191, and the commentary on this work by Klausen in the *Scheuzeitung* for 1832, p. 658. Völker has collected with the greatest care the passages from the ancient authors, which I do not specially cite here.

|| These Argippæans lived on the fruit of the *arbor Ponticus* whose juice was called *aschy*; the mass of which after having been strained is kneaded into cakes or balls. [Herod. Melpom. c. 23.] Nemnich and Heeren have already thought to find in this the *Prunus padus* (vol. i. sec. 2, p. 385.) See also Erman: *Reise um die Erde*; vol. i. p. 307.

§ Herodotus: iv. 24.

¶ C. O. Muller: *Dorier* [the Dorians] vol. ii. p. 276. Upon the Griffin of Ctesias, as a Bactro-Indian animal, see Heeren n. s. vol. i. sec. i. p. 239; and Böttiger: *Griech. Vasengemälde*; vol. i. n. 3, p. 105. Herodotus also (iv. 79. 152) speaks twice of griffins as images and ornaments.

[\*\* Cedrenus: *Collect. Byzant.* T. ix. p. 153. Glycas: ib. T. xi. p. 142—143.]

†† Gräfe: in the *Mem. of the Acad. of S. Petersburg*; 1830, p. 71 and 74. Julius Valerius in the *Res Gestæ Alexandri* etc. [Milan 1817] lib. iii. c. 33. See besides the *Chronique Hamartol*; which Hase has obtained in the MS. of the Paris Library.

as well as the ancient myth of the griffins does not seem to me to have risen from the icy bosom of these northern alluvial lands; they appear to me rather the imaginative creatures of a southern zone and a warmer clime.

I mentioned just now that they find in the Ural enormous masses of gold some inches below the surface. Little water-drains, or a good many other operations equally insignificant, may have by degrees bared those masses until they appear some day at the very surface itself. Can we see aught but a myth in the story of the sacred gold of the Scythians which Herodotus tells, and in that of the agricultural implements of gold which fell from Heaven and which the two princes, the sons of the king [Targitau] who first approached could not touch without being burnt, while the youngest, Colaxais, bore unharmed the cooling metal home? or is it rather a remote memory of a fall of aëroliths in a state of ignition? Iron and gold, are they here taken for one another; and was the sacred gold but a meteoric stone, like the mass found by Pallas, out of which implements of labor could be forged, just as the Esquimaux of Baffin's Bay make yet to this day their knives from aëroliths half buried in the snow? I know that physical explanations of ancient myths and of modern miracles are not in favor now, and that I run the risk of straying into the errors of the Alexandrian grammarians: but it is pardonable for a naturalist to suggest the fall of bolids. Perhaps the heavenly metal only burned to drive off the elder brothers? Even according to the popular belief in Germany, the place of buried treasures always bakes and burns. But considerations like these take us off from researches purely physical.

These beds of auriferous sand in Northern Asia on this side the Obi, this amount of 130 poods [4688.77 lb. avdp.] the yield of one year [1837] in the Altaï or Kusnezki, is an event in the history of the commerce of gold; and an event the more important, since it happens in that part of Asia which is under the immediate domination of Europe, and since the product of the workings, flowing towards the West, exercises its influence altogether upon the commerce of Europe. However ancient may be in Asia the workings of the mineral (so to speak) *in place*—known under the vague denomination of Tchoudic veins,† the existence of considerable masses of manufactured gold found at the earliest occupation of the country in the sepulchres and of which such remarkable specimens exist in the collections of S. Petersburg, is ex-

[\* Herodotus: Melpom. c. 5. Mr. Humboldt has here given at length the whole chapter in the Latin of Schweighäuser. It is a perplexed passage in the original; but as the undoubted substance is retained above in the text, I have thought it allowable to be omitted.] The Massagetians, a tribe of Alans according to Ammianus Marcellinus, used for the furniture of their horses *gold* as other people do iron. Herod. Clio, c. 215. [See also Judges viii. 26, for the mention of the golden chains for the camels; which the Ishmaelitish Midianites yielded to Jerubbaal.]

† What are called *Tchoudic veins* and the Tchoudic mines of North Asia do not belong to the same stock. The name of this Cabirian race who hunted the mineral and forged the metal, originally signified only *foreigners, not Russians* [outside barbarians;] but in a more emphatic manner among the Russian annals, according to Klaproth (Asia Polyglotta, p. 184) and the more recent and learned researches of Siögren (Mem. of the Acad. of S. Petersburg; vi. series, vol. i. p. 308) it covers all the Finnish and the Uralian tribes.



plained more perfectly by the discovery at remote epochs of lumps of gold in the alluvium immediately below the surface of the ground. Müller, the excellent historian of Siberia, says that the first discoveries of gold in the sepulchres (*kourganoui*) lowered in a most surprising manner the value of this metal at Krasnojarsk.\* Internal Asia, confined between the chain of the Himalaya and the volcanic range called the Celestial Mountains [Thian-chan] forms like China a close realm, as well in a political as (almost in the same degree) in a commercial point of view. However uncertain may be our notions as to this part of the globe, nevertheless from the brilliant epoch of the Mongol Dynasties to the end of the 13th century, since the travels of the Venetian Polo, the fame of these beds of auriferous sand in the interior of Asia has been penetrating to Europe—on the south by the way of India, on the north, through Siberia.

The Calcutta journals report that in all Western Thibet, the streams bring down gold; and that the natives extract the metal by amalgamation. Ancient Indian myths make the sovereign of the North, Kouwera, to be the god of riches; and it is remarkable that the residence of this god (*Alakâ*) is not upon the range of the Himalaya itself, but on the *Kailâsa* on this side of the Himalaya, in Thibet.† It is more to the north-west, on this side of the chain of Kouen-loun which separates the districts of Ladakh and Khotan, that Heeren‡ places, with much probability in my opinion, the great Sandy Desert so rich in gold which the Indians bordering on Caspatyrus visited and where ants, smaller than dogs but larger than foxes, burrowed for their nests. The Bolor, whose eastern slope leads to Khoulaloun (a region which the geographers designate under the name of Little Thibet or Kaschgar,) and to the Lake Lop among the steppes, offered also on its western slope to the distinguished traveller who has last explored this *terra incognita*, Alexander Burnes, the auriferous beds of Durrvaz and of the upper waters of the Oxus, which he has described.¶ In China the extraction of gold by washing, dates from the highest antiquity; and we can distinguish in the metallurgic nomenclature of this pedantic people the *fields of gold*§ (beds of gold-ore of vast extent in the plains) and lumps of gold under the name of *dog-heads*, of *wheat-grains*, and of *millet-seed*. Unfortunately in Choco, in Sonora and in the Ural, as every where, there are fewer *dog-heads* than *millet-seed*.

\* Journal Asiatique, t. ii. p. 12.

† Albert Höfer: Translation of the Urwasi and the Kalidâsa; 1837, p. 90.

‡ Herod. iii. 102—106. Heeren: 1st part, 2d sect. p. 90, 102, 340—345. Compare Ritter: Asia, vol. ii. 657—660.

¶ Burnes: Travels, vol. ii. p. 165. In 1831, they still found in the Oxus lumps of gold as large as a pigeon's-egg. Like the Rhine, the Oxus (*Djihoun*) rolls its sands of gold down to its mouth; and the unfortunate expedition of Prince Alexander Bekewitsch, undertaken for Peter the Great in 1716, was induced by exaggerated and untruthful statements as to the accumulation of gold near the ancient embouchure of the Oxus, south of the little chain of the Balkan and near the eastern shore of the Caspian Sea.

§ Landresse: upon the Auriferous Alluvion of China, in the Asiatic Journal, vol. iii. p. 90.

## BANK CAPITAL OF THE UNITED STATES.

*Table shewing the Bank Capital and number of Banks in each City or Town in the U. S., also the aggregate Bank Capital of each State.*

[Compiled for the Bankers' Magazine from the latest Official Returns.]

MAINE.							
Augusta, . . . . .	3	\$235,000		Manchester, . . . . .	2	\$120,000	
Bangor, . . . . .	3	250,000		Middleburg, . . . . .	1	75,000	
Bath, . . . . .	3	225,000		Montpelier, . . . . .	1	100,000	
Belfast, . . . . .	1	50,000		Orwell, . . . . .	1	92,190	
Biddeford, . . . . .	1	50,000		Poultney, . . . . .	1	50,000	
Brunswick, . . . . .	1	60,000		Proctorsville, . . . . .	1	40,000	
Calais, . . . . .	1	50,000		Rutland, . . . . .	1	100,000	
Eastport, . . . . .	1	75,000		Rockingham, . . . . .	1	54,000	
East Thomaston, . . . . .	1	100,000		St. Albans, . . . . .	1	50,000	
Gardiner, . . . . .	1	100,000		Vergennes, . . . . .	1	100,000	
Hallowell, . . . . .	1	75,000		Wells River, . . . . .	1	75,000	
Portland, . . . . .	5	1,025,000		Woodstock, . . . . .	1	60,000	
Saco, . . . . .	2	175,000		Windsor, . . . . .	1	50,000	
South Berwick, . . . . .	1	100,000					
Topsham, . . . . .	1	50,000		June, 1848, . . . . .	22	\$1,626,190	
Skowhegan, . . . . .	1	75,000					
Thomaston, . . . . .	1	50,000		MASSACHUSETTS.			
Waldoboro', . . . . .	1	50,000		Andover, . . . . .	1	\$250,000	
Waterville, . . . . .	1	75,000		Adams, . . . . .	1	100,000	
Wiscasset, . . . . .	1	50,000		Attleborough, . . . . .	1	100,000	
				Boston, . . . . .	27	19,280,000	
May, 1848, . . . . .	31	\$2,920,000		Beverly, . . . . .	1	125,000	
NEW HAMPSHIRE.				Brighton, . . . . .	1	250,000	
Charlestown, . . . . .	1	\$60,000		Cambridge, . . . . .	2	200,000	
Concord, . . . . .	2	180,000		Charlestown, . . . . .	1	200,000	
Dover, . . . . .	2	175,000		Canton, . . . . .	1	100,000	
Derry, . . . . .	1	100,000		Concord, . . . . .	1	100,000	
Exeter, . . . . .	1	100,000		Danvers, . . . . .	3	390,000	
Great Falls, . . . . .	1	100,000		Dorchester, . . . . .	1	100,000	
Keene, . . . . .	2	200,000		Dedham, . . . . .	1	150,000	
Lancaster, . . . . .	1	50,000		Fairhaven, . . . . .	1	200,000	
Lebanon, . . . . .	1	100,000		Falmouth, . . . . .	1	100,000	
Manchester, . . . . .	1	75,000		Fall River, . . . . .	2	400,000	
Meredith, . . . . .	1	50,000		Frammingham, . . . . .	1	150,000	
Nashua, . . . . .	1	100,000		Fitchburg, . . . . .	1	200,000	
New Ipswich, . . . . .	1	100,000		Gloucester, . . . . .	1	200,000	
Portsmouth, . . . . .	3	400,000		Georgetown, . . . . .	1	100,000	
Rochester, . . . . .	1	100,000		Greenfield, . . . . .	1	150,000	
				Great Barrington, . . . . .	1	100,000	
June, 1848, . . . . .	20	\$1,890,000		Haverhill, . . . . .	2	280,000	
VERMONT.				Hingham, . . . . .	1	105,000	
Bennington, . . . . .	1	\$50,000		Lancaster, . . . . .	1	125,000	
Brattleboro', . . . . .	1	75,000		Lawrence, . . . . .	1	200,000	
Burlington, . . . . .	3	405,000		Lee, . . . . .	1	100,000	
Chelsea, . . . . .	1	50,000		Leicester, . . . . .	1	100,000	
Danville, . . . . .	1	50,000		Lynn, . . . . .	1	150,000	
Irasburg, . . . . .	1	30,000		Lowell, . . . . .	3	900,000	
				Marblehead, . . . . .	2	220,000	
				Millbury, . . . . .	1	50,000	
				Nantucket, . . . . .	1	200,000	

Northampton, . . . . .	2	\$250,000	Meriden, . . . . .	1	\$150,000
Newburyport, . . . . .	3	510,000	Middletown, . . . . .	2	590,300
New Bedford, . . . . .	4	1,300,000	Mystic, . . . . .	1	52,700
Oxford, . . . . .	1	100,000	New Haven, . . . . .	4	1,679,775
Pawtucket, . . . . .	1	100,000	New London, . . . . .	3	414,625
Pittsfield, . . . . .	1	150,000	Norwich, . . . . .	4	864,611
Plymouth, . . . . .	2	200,000	Norwalk, . . . . .	1	100,000
Quincy, . . . . .	1	100,000	Stamford, . . . . .	1	60,000
Randolph, . . . . .	1	150,000	Stonington, . . . . .	1	59,600
Roxbury, . . . . .	1	100,000	Thompson, . . . . .	1	60,000
Salem, . . . . .	7	1,750,000	Tolland, . . . . .	1	80,200
Salisbury, . . . . .	1	100,000	Windham, . . . . .	1	60,000
Southbridge, . . . . .	1	100,000	Falls Village, . . . . .	1	73,960
Springfield, . . . . .	4	800,000			
Stockbridge, . . . . .	1	100,000			
Taunton, . . . . .	3	500,000			
Uxbridge, . . . . .	1	100,000			
Ware, . . . . .	1	200,000			
Wareham, . . . . .	1	100,000			
Waltham, . . . . .	1	100,000			
Worcester, . . . . .	4	600,000			
Wrentham, . . . . .	1	150,000			
Westfield, . . . . .	1	100,000			
Weymouth, . . . . .	1	100,000			
Yarmouth, . . . . .	1	150,000			

September, 1848, 113 \$33,285,000

## RHODE ISLAND.

Bristol, . . . . .	4	\$340,000
Cumberland, . . . . .	2	175,000
Coventry, . . . . .	1	39,990
Cranston, . . . . .	1	25,000
Exeter, . . . . .	1	21,330
East Greenwich, . . . . .	1	81,960
Foster, . . . . .	1	60,000
Gloucester, . . . . .	1	33,000
Newport, . . . . .	7	680,000
North Kingston, . . . . .	2	125,000
North Providence, . . . . .	3	242,900
North Scituate, . . . . .	1	40,000
Providence, . . . . .	22	7,972,612
Smithfield, . . . . .	5	319,375
South Kingston, . . . . .	2	150,000
Tiverton, . . . . .	1	200,000
Warren, . . . . .	2	260,000
Warwick, . . . . .	2	75,000
Westerly, . . . . .	2	249,500

April, 1848, . . . . . 61 \$11,095,577

## CONNECTICUT.

Bridgeport, . . . . .	2	\$485,000
Brooklyn, . . . . .	1	62,700
Danbury, . . . . .	1	89,500
East Haddam, . . . . .	1	66,160
Hartford, . . . . .	5	3,733,200
Jewett City, . . . . .	1	44,000

Meriden, . . . . .	1	\$150,000
Middletown, . . . . .	2	590,300
Mystic, . . . . .	1	52,700
New Haven, . . . . .	4	1,679,775
New London, . . . . .	3	414,625
Norwich, . . . . .	4	864,611
Norwalk, . . . . .	1	100,000
Stamford, . . . . .	1	60,000
Stonington, . . . . .	1	59,600
Thompson, . . . . .	1	60,000
Tolland, . . . . .	1	80,200
Windham, . . . . .	1	60,000
Falls Village, . . . . .	1	73,960

April, 1848, . . . . . 33 \$8,726,331

## NEW YORK.

Adams, . . . . .	1	\$10,000
Adirondack, . . . . .	1	25,000
Alexander, . . . . .	1	100,075
Albany, . . . . .	6	2,162,700
Albion, . . . . .	2	273,345
Auburn, . . . . .	2	450,000
Amsterdam, . . . . .	1	105,000
Ballston Spa, . . . . .	1	125,000
Bath, . . . . .	1	150,000
Bainbridge, . . . . .	1	5,000
Batavia, . . . . .	2	151,456
Binghamton, . . . . .	1	100,000
Brasher Falls, . . . . .	1	5,000
Buffalo, . . . . .	9	565,005
Canandaigua, . . . . .	3	358,400
Catskill, . . . . .	2	225,000
Carmel, . . . . .	1	85,600
Camden, . . . . .	1	109,600
Cazenovia, . . . . .	1	100,000
Cherry Valley, . . . . .	1	120,000
Chester, . . . . .	1	100,400
Cincinnatus, . . . . .	1	20,000
Clinton, . . . . .	1	50,000
Corning, . . . . .	1	104,500
Cooperstown, . . . . .	1	100,000
Dansville, . . . . .	1	150,250
Delhi, . . . . .	1	137,900
Durham, . . . . .	1	20,000
Ellery, . . . . .	1	10,000
Elmira, . . . . .	1	200,000
Fairport, . . . . .	1	3,809
Farmers Mills, . . . . .	1	150,000
Fort Plain, . . . . .	1	100,000
French Creek, . . . . .	1	5,000
Friendship, . . . . .	1	5,000
Geneva, . . . . .	1	400,000
Genoa, . . . . .	1	10,000
Genesee, . . . . .	1	100,000
Goshen, . . . . .	1	105,660
Greenwich, . . . . .	1	102,600
Herkimer, . . . . .	1	100,800

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**\*Including 1 Savings Bank in each.**

Perth Amboy, . . . . .	1	\$60,000
Paterson, . . . . .	1	75,000
Princeton, . . . . .	1	90,000
Rahway, . . . . .	1	130,000
Salem, . . . . .	1	75,000
Somerville, . . . . .	1	25,000
Trenton, . . . . .	2	319,000

January, 1849, . . . 25 \$3,600,700

## DELAWARE.

Dover, . . . . .	1	\$186,000
Georgetown, . . . . .	1	120,000
Newcastle, . . . . .	1	138,000
Smyrna, . . . . .	1	100,000
Wilmington, . . . . .	4	846,000

January, 1849, . . . 8 \$1,390,000

## MARYLAND.

Annapolis, . . . . .	1	\$298,000
Baltimore, . . . . .	11	6,974,646
Cumberland, . . . . .	2	241,091
Ellicott's Mills, . . . . .	1	125,000
Easton, . . . . .	1	271,575
Frederick, . . . . .	3	525,430
Hagerstown, . . . . .	1	250,000
Westminster, . . . . .	1	60,000
Williamsport, . . . . .	1	135,000
Havre de Grace, . . . . .	1	50,000

January, 1849, . . . 23 \$8,930,742

## VIRGINIA.

Alexandria, . . . . .	2	\$407,000
Buchanan, . . . . .	1	105,000
Clarksville, . . . . .	1	200,000
Charlottesville, . . . . .	1	104,100
Charleston, . . . . .	1	150,000
Charlestown, . . . . .	1	190,000
Danville, . . . . .	2	190,000
Fredericksburg, . . . . .	2	550,000
Farmville, . . . . .	1	150,000
Leesburg, . . . . .	1	180,000
Lynchburg, . . . . .	2	600,000
Morgantown, . . . . .	1	75,000
Norfolk, . . . . .	3	991,300
Parkersburg, . . . . .	1	100,000
Petersburg, . . . . .	3	1,170,000
Portsmouth, . . . . .	1	225,000
Richmond, . . . . .	3	2,115,370
Romney, . . . . .	1	200,000
Staunton, . . . . .	1	100,000
Wellsburg, . . . . .	1	118,000
Wheeling, . . . . .	2	984,100
Winchester, . . . . .	2	680,000
Wytheville, . . . . .	1	130,100

January, 1849, . . . 35 \$9,714,970

## NORTH CAROLINA.

Asheville, . . . . .	1	\$125,000
Charlotte, . . . . .	1	100,000
Elizabeth City, . . . . .	1	100,000
Fayetteville, . . . . .	2	550,000
Milton, . . . . .	1	100,000
Morgantown, . . . . .	1	100,000
Newbern, . . . . .	2	375,000
Raleigh, . . . . .	2	425,000
Salem, . . . . .	1	125,000
Salisbury, . . . . .	1	175,000
Tarboro', . . . . .	1	150,000
Washington, . . . . .	1	200,000
Wilmington, . . . . .	3	1,000,000

June, 1848, . . . . 18 \$3,525,000

## SOUTH CAROLINA.

Camden, . . . . .	2	\$377,600
Charleston, . . . . .	7	9,153,583
Columbia, . . . . .	2	800,000
Cheraw, . . . . .	1	400,000
Georgetown, . . . . .	1	200,000
Hamburg, . . . . .	1	500,000

July, 1848, . . . . 14 \$11,431,183

## GEORGIA.

Augusta, . . . . .	6	\$2,624,900
Athens, . . . . .	1	100,000
Columbus, . . . . .	2	134,375
Eatonton, . . . . .	1	100,000
*Griffin, . . . . .	1	.....
*Macon, . . . . .	2	.....
Savannah, . . . . .	4	1,890,700
Washington, . . . . .	1	100,000

June, 1848, . . . . 18 \$4,949,975

## OHIO.

Athens, . . . . .	1	\$40,995
Akron, . . . . .	1	100,000
Ashtabula, . . . . .	1	69,510
Bridgport, . . . . .	1	60,000
Cadiz, . . . . .	1	70,200
Chillicothe, . . . . .	2	349,855
Cincinnati, . . . . .	6	1,680,026
Circleville, . . . . .	1	200,000
Cleveland, . . . . .	4	400,000
Cuyahoga Falls, . . . . .	1	100,000
Columbus, . . . . .	4	722,925
Dayton, . . . . .	2	228,180
Delaware, . . . . .	1	89,226
Eaton, . . . . .	1	71,960
Elyria, . . . . .	1	60,000
Lancaster, . . . . .	1	85,200
Mansfield, . . . . .	1	59,320
Marietta, . . . . .	1	69,561
Massillon, . . . . .	2	294,930

# Bank Capital of the United States.

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Mt. Pleasant, . . . . .	1	\$60,000
Mt. Vernon, . . . . .	1	60,000
Norwalk, . . . . .	2	277,400
Painesville, . . . . .	1	30,000
Piqua, . . . . .	1	73,923
Portsmouth, . . . . .	1	100,000
Ravenna, . . . . .	1	67,030
Ripley, . . . . .	1	79,560
Salem, . . . . .	1	81,330
Sandusky, . . . . .	2	150,000
Springfield, . . . . .	1	100,000
Steubenville, . . . . .	1	100,000
Tiffin, . . . . .	1	30,000
Toledo, . . . . .	2	250,500
Troy, . . . . .	1	65,231
Warren, . . . . .	1	40,000
Wooster, . . . . .	1	50,900
Xenia, . . . . .	1	150,000
Zanesville, . . . . .	2	136,600

November, 1848, . 56 \$6,654,407

## KENTUCKY.

Bowling Green, . . . . .	1	\$175,000
Covington, . . . . .	1	250,000
Danville, . . . . .	1	220,000
Flemingsburg, . . . . .	1	100,000
Frankfort, . . . . .	1	350,000
Greensburg, . . . . .	1	125,000
Hopkinsville, . . . . .	1	250,000
Lexington, . . . . .	2	1,530,000
Louisville, . . . . .	3	2,960,000
Maysville, . . . . .	1	450,000
Paducah, . . . . .	1	100,000
Paris, . . . . .	1	370,000
Richmond, . . . . .	1	150,000

January, 1849, . . 16 \$7,030,000

## INDIANA.

Bedford, . . . . .	1	\$91,762
Evansville, . . . . .	1	151,866
Fort Wayne, . . . . .	1	145,705
Indianapolis, . . . . .	1	219,900
Lafayette, . . . . .	1	187,750
Lawrenceburg, . . . . .	1	215,000
Madison, . . . . .	1	212,550
Michigan City, . . . . .	1	120,000
New Albany, . . . . .	1	163,850
Richmond, . . . . .	1	167,000
South Bend, . . . . .	1	102,341
Terre Haute, . . . . .	1	157,900
Vincennes, . . . . .	1	147,250

November, 1848, . 13 \$2,092,974

## TENNESSEE.

* Athens, . . . . .	2	\$249,150
* Clarkesville, . . . . .	2	223,932
* Columbia, . . . . .	2	190,130
* Franklin, . . . . .	1	.....
* Jackson, . . . . .	1	.....
* Knoxville, . . . . .	1	.....
* Memphis, . . . . .	2	.....
Nashville, . . . . .	3	6,180,004
* Pulaski, . . . . .	1	.....
Rogersville, . . . . .	1	254,208
Shelbyville, . . . . .	1	223,932
Somersville, . . . . .	1	254,208
Sparta, . . . . .	1	227,028
Trenton, . . . . .	1	254,208

June, 1848, . . . 20 \$8,056,800

## MISSOURI.

Fayette, . . . . .	1	\$120,060
Jackson, . . . . .	1	120,060
Lexington, . . . . .	1	120,060
Palmyra, . . . . .	1	120,060
Springfield, . . . . .	1	120,060
St. Louis, . . . . .	1	607,867

January, 1849, . . 6 \$1,208,167

## MICHIGAN.

Detroit, . . . . .	3	\$660,000
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## ALABAMA.

Mobile, . . . . .	1	\$1,500,000
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## WISCONSIN.

†Milwaukee, . . . . .	1	\$225,000
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## IOWA.

Dubuque, . . . . .	1	\$100,000
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## TEXAS.

Galveston, . . . . .	1	\$300,000
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## LOUISIANA.

New Orleans, . . . . .	6	\$17,663,300
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## DISTRICT OF COLUMBIA.

Georgetown, . . . . .	1	\$308,815
Washington, . . . . .	3	1,029,380

June, 1848, . . . 4 \$1,338,195

\*The amount of Capital allotted to these Branches by the parent Banks at Nashville, &c. is not stated.

† Wisconsin Marine and Fire Insurance Co. with banking privileges.

BANK CAPITAL AND POPULATION OF THE  
SEVERAL STATES.

*Table showing the number of Banks and amount of Bank Capital in each of the several States: together with their present Population, (according to the estimates contained in the Patent Office Report 1848-9,) the estimated increase from 1840 to 1848; and the per centage of increase in each State.*

STATE.	Estimated Population, 1848.	Inc. since 1840.	Per cent. Increase.	No. of Banks.	Bank Capital.
New York, . . . . .	2,880,000	451,000	18½	179	\$44,330,553
Pennsylvania, . . . . .	2,220,000	496,000	28½	51	17,712,970
Ohio, . . . . .	1,980,000	460,000	30½	54	6,654,407
Virginia, . . . . .	1,295,000	55,000	4½	35	9,714,970
Indiana, . . . . .	1,000,000	314,000	46	13	2,082,874
Tennessee, . . . . .	980,000	150,000	18	20	8,056,800
Kentucky, . . . . .	890,000	110,000	14	16	7,030,000
Massachusetts, . . . . .	875,000	138,000	19	113	33,285,000
Georgia, . . . . .	825,000	133,000	19½	18	4,949,975
Illinois, . . . . .	800,000	324,000	68	..	.....
North Carolina, . . . . .	780,000	27,000	3½	18	3,525,000
Alabama, . . . . .	716,000	125,000	21	1	1,500,000
Mississippi, . . . . .	670,000	294,000	78½	..	.....
South Carolina, . . . . .	620,000	25,000	4½	14	11,431,183
Maine, . . . . .	615,000	113,000	22½	31	2,920,000
Missouri, . . . . .	589,000	206,000	54	6	1,208,167
Maryland, . . . . .	510,000	40,000	8½	23	8,930,742
Louisiana, . . . . .	490,000	137,000	39	6	17,663,300
New Jersey, . . . . .	425,000	52,000	14	25	3,600,700
Michigan, . . . . .	420,000	208,000	98	3	660,600
Connecticut, . . . . .	340,000	30,000	9½	33	8,726,331
Vermont, . . . . .	310,000	18,000	6½	22	1,626,190
New Hampshire, . . . . .	308,000	24,000	8½	20	1,890,000
Wisconsin, . . . . .	250,000	219,000	700	1	225,000
Arkansas, . . . . .	200,000	103,000	106	.	.....
Iowa, . . . . .	150,000	107,000	250	1	100,000
Rhode Island, . . . . .	135,000	26,000	24	61	11,095,577
Delaware, . . . . .	85,000	7,000	10	9	1,490,000
Florida, . . . . .	80,000	26,000	48	.	.....
District of Columbia, . . . . .	48,000	5,000	9	4	1,338,195
Texas, . . . . .	150,000	150,000	.	1	300,000
Oregon, . . . . .	50,000	50,000	.	.	.....
Total, . . . . .	21,686,000	4,623,000		778	\$212,048,434

In the preparation of this Table, it will be perceived that we have adopted the estimates of the Commissioner of Patents. These are no doubt sufficiently correct for general calculations, and furnish several curious results. It will be seen that the old States of Massachusetts, Georgia, Maine and Rhode Island have increased in a somewhat larger ratio than those of Kentucky and Tennessee.

The banks of Illinois, Mississippi, Arkansas and Florida have some years since gone into liquidation, and there is no provision at present for any similar institutions. No bank can be established in Illinois without the assent of the people at large: the circulation of the State is mainly from the banks of Kentucky, Indiana and Ohio.—  
*Ed. B. M.*



## RECENT FACTS IN LIFE INSURANCE.

## IMPOSITIONS OF MR. THOMAS GRIFFITHS WAINWRIGHT.

Mr. Wainwright, having ceased to contribute to the "London" about the year 1825, when Lamb bestowed on him his parting eulogium, was scarcely seen in our literary circle, though he attained the acquaintance and regard of some of its members. In the year 1830 he was residing at Linden House, Turnham Green, in the possession of which he had succeeded his uncle, Dr. Griffiths, who for many years edited a monthly publication, and whose death had occurred about a year before, after a short illness, while Mr. Wainwright and his wife were visiting at his house on the occasion of her confinement with her only child. He acquired some property at the death of his uncle, by whose bounty, being early left an orphan, he had been educated; but his expensive taste soon brought him to severe pecuniary embarrassments and the verge of ruin. His wife's mother, who had died in Linden House after a short illness, left two daughters by Mr. Abercrombie, her second husband, named Helen Frances Phœbe, and Madeline; Mrs. Wainwright being the daughter of a former husband, named Ward. These young ladies being left without provision, except a pension of £10 a year each, which had been granted to them, as the destitute daughters of a meritorious officer, by the Board of Ordnance, were invited by Mr. Wainwright to visit him at Linden House, and at the beginning of 1830, with his wife and child, formed his family.

About this time, he formed the remarkable scheme of procuring the eldest of the young ladies to effect insurances on her life, to the amount of many thousands of pounds, for the period of three, or two years. Miss Helen Frances Phœbe Abercrombie was then a lovely woman nearly of the age of twenty-one, which she attained 12th of March, 1830; without expectation, except of some trifling possibility under a settlement, and except the proceeds of the pension, without a shilling in the world; while Mr. Wainwright, who supplied the funds for this strange speculation, was in reality still poorer, being steeped in debt, impatient of privation, with ruin daily contracting its circle around him.

The first proposal was made by Mr. Wainwright, on behalf of Miss Abercrombie, to the Palladium Insurance Office, on 28th March, for £3,000 for three years. On this occasion, Mr. and Mrs. Wainwright, and Miss Abercrombie called together at the office, where the object of the insurance was stated to be to enable them to recover some property to which the young lady was entitled. This proposal was accepted, and on the 20th of April completed by payment of the premium for one year by the hand of Miss Abercrombie, then attended only by Mrs. Wainwright, and the delivery of the policy. On or about the same day, a similar insurance was effected with the Eagle Insurance Office for £3,000, for the term of two years, and the premium for one year and stamp duty were paid by Miss Abercrombie, in her sister's presence. In the following October, four more policies were effected; with the Provident for £2,000; with the Hope for £2,000; with the Imperial for £3,000; and

with the Pelican for £5,000,—each on the life of Miss Abercrombie, and each for the period of two years; so that, at the close of this month of October, the life of this poor girl, described by the actuary of the Provident as “a remarkably healthy, cheerful, beautiful young woman, whose life was one of a thousand,” was insured to the amount of £18,000; as to £3,000 for three years, and for the residue for two years only. Premiums for one year, amounting, with the stamps, to something more than £220, had been paid; the premiums which would be required to keep the policies on foot for a second year amounting to £200, and in the event of her surviving the brief terms of insurance, the whole money would be lost. On every visit to the office, Miss Abercrombie, was accompanied by Mrs. Wainwright; and the appearance of these two ladies together on such an errand sometimes awakened scruples which the apparent desirableness of the life for insurance to an office did not always silence. At the Imperial it was suggested to Miss Abercrombie, by Mr. Ingall, the actuary, that “as she only proposed to make the insurance for two years, he presumed it was to secure some property she would come into at the expiration of that time;” to which Mrs. Wainwright replied, “Not exactly so, it is to secure a sum of money to her sister, which she will be enabled to do by other means if she outlives that time; but I don’t know much of her affairs; you had better speak to her about it.” On which Miss Abercrombie said, “That is the case.” By what means the ladies were induced to make this statement can scarcely ever be guessed; it is certain that they were illusory. No reason existed for the poor penniless girl securing £3,000, for her sister in case of her own death within two years, nor was there the least chance of her receiving such a sum if living at the end of that period.

The sum of £18,000 did not bound the limits of the speculation; for, in the same month of October, a proposal to the Eagle to increase the insurance by the addition of £2,000, was made and declined; and a proposal to the Globe for £5,000, and a proposal to the Alliance for some further sum, met a similar fate. At the office of the Globe, Miss Abercrombie, who, as usual, was accompanied by Mrs. Wainwright, being asked the object of the insurance, replied that she “scarcely knew; but she was desired to come there by her friends, who wished the insurance done.” On being further pressed, she referred to Mrs. Wainwright, who said, “it is for some money matters that are to be arranged; but ladies don’t know much about such things;” and Miss Abercrombie answered a question, whether she was insured in any other office, in the negative. At the Alliance, Helen was more severely tested by the considerate kindness of Mr. Hamilton, who received the proposal, and who was not satisfied by her statement that a suit was depending in Chancery, which would probably terminate in her favor, but that if she should die in the interim, the property would go into another family, for which contingency she wished to provide. The young lady, a little irritated at the question, said, “I supposed that what you had to inquire into was the state of my health, not the object for the insurance;” on which he informed her “that a young lady, such as she was, had come to the office two years before to effect an insurance for a short time; and that it was the opinion of the Company she had come to her death by unfair

means." Poor Helen replied, "she was sure there was no one about her who could have any such object." Mr. Hamilton said, "Of course not;" but added, "that he was not satisfied as to the object of the insurance; and unless she stated in writing what it was, and the Directors approved it, the proposal could not be entertained." The ladies retired; and the office heard no more of the proposal, nor of Miss Abercrombie, till they heard that she was dead, and that the payment of other policies on her life was resisted.

Mr. Wainwright's affairs soon approached a crisis, for he had given a warrant of attorney in August, and a bill of sale of his furniture at Linden House, both of which were become absolute, and seizure under which he had postponed only till the 20th or 21st of December. Early in that month he left Linden House, and took furnished lodgings in Conduit Street, to which he was accompanied by his wife and her two half sisters. On the 13th of that month Miss Abercrombie called on a solicitor named Lys, to whom she was a stranger, and requested him to attest the execution of a will she desired to make, as she was going abroad; he complied, and she executed a will in favor of her sister Madeline, making Mr. Wainwright its executor. On the 14th, having obtained a form of assignment from the office of the Palladium, she called on another solicitor named Kirk, to whom she was also a stranger, to perfect for her an assignment of the policy of that office to Mr. Wainwright; this the solicitor did by writing in ink over words penciled in the hand-writing of Mr. Wainwright, and witnessing her signature. On that evening, Miss Abercrombie accompanied Mr. and Mrs. Wainwright and her sister to the play, as she had done the preceding evening, and partook of oysters, or lobsters, and porter, after their return. The weather was wet: she had walked home, as she had done the evening before; and in the night suffered from illness, which was attributed to cold. She continued ill, however, and, in a day or two, Dr. Locock was called in by Mr. Wainwright, who found her laboring under derangement of stomach, and prescribed for her simple remedies. She continued indisposed, but he entertained no serious apprehensions until he was sent for on the 21st, when she died. On that morning a powder which Dr. Locock did not recollect ever prescribing, was administered to her in jelly, and Mr. and Mrs. Wainwright quitted her, to take a long walk for some hours. Soon after their departure she was seized with violent convulsions; the physician was sent for, and was shocked by her condition, and by her exclaiming, "Oh, Doctor these are the pains of death!" He administered proper remedies for pressure on the brain, under which she was then laboring; the symptoms subsided, and he left her in a state of composure. The convulsions, however, soon returned with increased violence; the attendant, in alarm, called in the assistant of a neighboring apothecary, in the emergency; the young man did for her the best that human skill could devise; but all assistance was in vain, and before Mr. and Mrs. Wainwright returned from their walk, she was dead. An examination of the body took place, with Mr. Wainwright's ready concurrence, which, in Doctor Locock's apprehension, left no reason to attribute the death to other than natural causes; its immediate cause was obviously pressure on the

brain; and the sums, amounting to £18,000, insured on her life, became payable to Mr. Wainwright, as her executor, though, except as to two of the policies—those of the Palladium and the Hope, which had been assigned to him by poor Helen—apparently, at least, for the benefit of the sister.

Suspicion, however, was excited; the offices resisted the claim; Mr. Wainwright left England for France, where he spent several years; and after delays, occasioned chiefly by proceedings in Equity, the question of the validity of the policies was tried, before Lord Abinger, on the 29th of June, 1835, in an action by Mr. Wainwright, as executor of Miss Abercrombie, on the Imperial's policy. Extraordinary as were the circumstances under which the defence was made, it rested on a narrow basis—on the allegation that the insurance was not, as it professed to be, that of Miss Abercrombie, for her own benefit, but the insurance of Mr. Wainwright, effected at his cost, for some purpose of his own, and on the falsehood of representations she had been induced to make in reply to inquiries as to insurance in other offices. The cause of her death, if the insurance was really hers, was immaterial; and though surely not immaterial in the consideration of the question, whether the insurance was hers or Mr. Wainwright's, was thrown out of the case by Lord Abinger. That accomplished judge, who had been the most consummate advocate of his time, disposed always to pleasurable associations, shrunk in a Civil Court, from inquiries which, if they had been directly presented on a criminal charge, would have compelled his serious attention; stated that there was no evidence of other crime than fraud; and intimated that the defence had been injured by a darker suggestion. The jury, partaking of the judge's disinclination to attribute the most dreadful guilt to a plaintiff on a *Nisi Prius* record, and perhaps, scarcely perceiving how they could discover for the imputed fraud an intelligible motive without it, were unable to agree, and were discharged without giving a verdict. The cause was tried again before the same judge, on the 3rd December following;—when the counsel for the defence, following the obvious inclination of the Bench, avoided the most fearful charge, and obtained a verdict for the Office, without hesitation, sanctioned by Lord Abinger's proffered approval to the jury.

In the meantime, Mr. Wainwright, leaving his wife and child in London, had acquired the confidence and enjoyed the hospitality of the family of an English officer, residing at Boulogne. While he was thus associated, a proposal was made to the Pelican Office to insure the life of his host for £5,000;—which, as the medical inquiries were satisfactorily answered, was accepted. The Office, however, received only one premium; for the life survived the completion of the insurance only a few months; falling after a very short illness. Under what circumstances Mr. Wainwright left Boulogne after this event is unknown; he became a wanderer in France; and being brought under the notice of the Correctional Police, as passing under a feigned name, was arrested. In his possession was found the vegetable poison called strychnine—which leaves little trace of its passage in the frame of its victim—and which, though unconnected with any specific charge, increased his liability to temporary restraint, and led to a six months' incarceration at Paris.

After his release, he ventured to re-visit London; where, in June, 1837, soon after his arrival, he was met in the street by Forester, the police officer, who had identified him in France, and was committed for trial on a charge of forgery. The offence for which Mr. Wainwright was thus apprehended was not very heinous of its kind; but his guilt was clear, and the punishment, at that time, capital. It consisted in the forgery of the names of his own trustees to five successive powers of attorney to sell out stock settled on himself and his wife upon their marriage, which his exigencies from time to time had tempted him thus to realize. The Bank of England, by whom he was prosecuted, consented to forego the capital charge on his pleading guilty to the minor offence of uttering in two of the cases, which he did at the Old Bailey sessions of July, 1837, and received sentence of transportation for life. In the meantime, proceedings were taken on behalf of Miss Abercrombie's sister, Madeline, who had married a respectable bookseller named Wheatley, to render the insurances available for her benefit, which induced the prisoner to offer communications to the Insurance Offices which might defeat a purpose entirely foreign to his own; and which he hoped might procure him, through their intercession, a mitigation of the most painful severities incident to his sentence. In this expectation he was miserably disappointed; for though, in pursuance of their promise, the Directors of one of the Offices made a communication to the Secretary of State for the Home Department, the result, instead of a mitigation, was an order to place him in irons, and to send him to his place of punishment in a vessel about to convey three hundred convicts. Thus terminated the European career of the "kind and light-hearted Janus!"

The time has not arrived for exhibiting all the traits of this remarkable person; probably before it shall arrive, the means of disclosing them will be lost, or the subject forgotten; but enough may be found disclosed in the public proceedings from which we have taken thus far our narrative, to supply an instructive contrast between his outer and inner life, and yet more instructive indication of the qualities which formed the links of connection between them. The defect in his moral nature consisted perhaps chiefly in morbid self-esteem, so excessive as to overwhelm all countervailing feelings, and to render all the interests of others, all duties, all sympathies, all regard, subservient to the lightest efforts, or wishes, or enjoyments of the wretched idol. His tastes appreciated only the most superficial beauty; his vanities were the poorest and most empty; yet he fancied himself akin to greatness; and in one of his communications from Newgate, in his last hours of hope, he claimed for himself "a soul whose nutriment is love, and its offspring art, music, divine song, and still holier philosophy." When writing from the hold of the convict-ship, to complain of his being placed in irons, he said—"They think me a desperado. Me! the companion of poets, philosophers, artists, and musicians, a desperado! You will smile at this,—no—I think you will *feel* for the man, educated and reared as a gentleman, now the mate of vulgar ruffians and country bumpkins." This shallow notion of being always "a gentleman,"—one abstracted ever from conventional vulgarities—seems to have given him support in the extremity of wretchedness and infamy; the miserable reed he leaned on; not the

ruling passion—but the ruling folly. “They pay me respect here, I assure you,” said he to an acquaintance who visited him in Newgate; “they think I am here for £10,000;” and on some of the convicts coming into the yard with brooms to perform their compulsory labor of sweeping it, he raised himself up, pulled down his soiled wristbands, and exclaimed, with a faint hilarity;—“You see those people; they are convicts like me;—but no one dares offer me the broom!” Circumstances were indeed changed, but the *man* was the same as when he elaborated artistic articles for the “London.” To the last he seemed to be undisturbed by remorse; shocked only at the indignities of the penal condition of one imbued with tastes so refined, that all causes ought to give way to their indulgence. This vanity, nurtured by selfishness, and unchecked by religion, became a disease, perhaps amounting to *monomania*, and yielding one lesson to repay the world for his existence;—that there is no state of the soul so dangerous as that in which the vices of the sensualist are envenomed by the groveling intellect of the scorner.—[*Charles Lamb’s Final Memorials.*]

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## THE BRITISH BANK.

From the London Bankers’ Magazine, April, 1849.

Our readers will have observed, from the announcements in the public journals, that a new joint-stock bank is in course of formation in London, under the title of “The British Bank.” It proposes to adopt a system of business different in many respects from that at present carried on by any of the London banks; and it will probably be interesting to our readers, if we briefly describe its principles, and examine how far they are suitable for a bank in this metropolis. A new bank must always experience many difficulties before it can obtain a footing in London; and the recent acts of Sir Robert Peel have added considerably to those which already existed. But if these obstacles are once overcome, the bank will be placed in a much stronger position than it could otherwise speedily obtain, as its character will be guaranteed by Act of Parliament, and its respectability placed beyond all doubt.

We have not forgotten the early struggles of the London and Westminster Bank, nor are we ignorant of the fact, that the joint-stock banks of London are, to this day, excluded from the Clearing House. But the time has gone by, in banking circles, for active and open hostilities against rivals in trade. Beyond a stout battle with opinion, therefore, the “British Bank” has little to fear. That it will instantly vanquish its enemies is not to be expected; but that it will keep its ground, we confidently anticipate.

We believe that the new bank will be established, and its principles put to the test of experiment. The characters of its promoters are a sufficient guarantee for this. Their chief is a man of no ordinary ability nor does he lack the resource, the vigour, and the courage requisite to

conceive, construct, and carry out the undertaking. What then are its prospects? Will it sink or swim? pay or not pay? enrich its proprietors or half-ruin them?

In addition to the ordinary business of bankers, as practised in London, the British Bank proposes—

1. To grant "*Cash Credits*."
2. To make temporary advances on marketable and convertible securities, and
3. To receive deposits at interest.

To what extent these principles may be prudently carried in the financial administration of a bank located in London, and with what probable results upon its revenues, are questions which our readers, we believe, will consider to be not altogether devoid of interest.

1. The "*Cash Credit*" of Scotland, then, we need scarcely remind the majority of our readers, is synonymous, or nearly so, with the "overdrawn account" of country banking in England; that is to say, the cash credit enables a party to overdraw his account, when he shall require it, to a certain specified amount, on certain conditions; the chief of which usually is, that he gives undoubted collateral security, personal or otherwise, for the proposed advance.

Now, we are as opposed to a rash and indiscriminate investment of the resources of a bank in cash credits, or overdrawn accounts, as our able correspondent "Mr. Bullion" himself can be; but we presume that, in the case before us, the aggregate of such advances will be kept at all times considerably within the paid-up capital of the bank; and that they will be granted, not with an eye *merely* to the security offered, but with the knowledge that they are granted to parties presumptively safe for such advances without security, and for purposes strictly legitimate, and for determinate periods. Under these limitations, we are of opinion that a certain proportion of the funds of a London bank might be employed in these advances with safety and advantage.

In calculating the interest upon this description of account, however, the Scottish banks do not debit the party with interest on the full amount of the credit, but upon that portion of it only that may be at his debit from day to day. We think that this gives an undue advantage to the holders of such credits as compared with the other customers of a bank. In everything but in name the undrawn-for balance of a cash credit is a *deposit*. It is a liability subject to be drawn for at a moment's notice, as much as a deposit is, and therefore ought to be treated as such.

When a bank, therefore, undertakes to grant an individual a credit to a certain amount, that credit should be immediately drawn out to the full extent, passed to the debit of the party, and interest charged upon it until it is redeemed in full. If the party should find that he does not require the whole amount at once, let him pass the surplus to his credit on "deposits" or "current account:" and let him be allowed the current rate, whatever that may be, upon the fluctuating balance of such account, and no more.

Why you should allow a man five per cent. upon all monies paid to his credit, whilst he is in your debt and under obligation to you, and only three per cent. after he gets out of it and places you in debt to him, is by no means self-evident.



It is true that the country banks in England follow the same principle of calculation in respect of interest on overdrawn accounts as that adopted by the banks in Scotland: but then they are compensated for this by a commission of 5s. per cent. upon the total outdrawings upon such accounts. So the Scottish banks, in the impulse given to the circulation of their notes by the operations upon cash credits, derive compensation indirectly. But a bank located in London can derive from such accounts neither the direct profit of a commission, nor the indirect advantage of a circulation of its notes.

2. From "*temporary advance on convertible and marketable securities*" a large revenue may undoubtedly be derived. By "*marketable*" securities, we presume, are meant not only the public securities, but the stock of leading railway companies—all such securities, in short, as can at all times command a market and a price. There appears to us but two conditions necessary to render this description of advances safe and largely remunerative, viz., a *good margin* and an *absolute power of sale*, when the margin shall recede to a certain point. It would be difficult to name the paid-up stock of any railway, which is not a good temporary security for at least 75 per cent. of its present market price; and it would not be an usual event for this margin totally to disappear before the bank could realize.

3. In determining the *rate of interest to be allowed upon its deposits* by the new bank, regard will no doubt be had to an essential difference in the nature of banking deposits in England, as compared with similar lodgements in Scotland. In the latter country, multitudes of the middle and lower classes rarely seek for better investment than the deposit of their surplus money at interest in their banks. In England, on the contrary, no one deposits money in a bank who can help it: in other words, the great mass of English deposits are temporary lodgements of money, awaiting the first opportunity that offers for fresh investments. The characteristic of deposits in Scotland is permanence: their characteristic in England is directly the reverse.

We do not think it probable, therefore, that the new bank will allow as high a rate on deposits as can safely be given by its Scottish contemporaries. Many will be of opinion that it cannot prudently allow any rate at all. We do not think so. We think that it will find no difficulty whatever in so regulating the rate of interest to its depositors, as on the average to secure at least a gross profit of *one* per cent. If it allow two per cent., for example, it may reasonably calculate upon obtaining three per cent. by relending these deposits.

This being so, the matter becomes a mere question of amount. If a London banker, for example, out of £100,000, of deposits, upon which he allows no interest, derives a gross profit of three per cent., or £3,000, per annum, the new bank will make the same amount of profit, at the rate of one per cent., out of £300,000, of deposits.

At the same time, however, it must be admitted, that its *risks* would be three times as great; and this, we conceive, will be a fact kept steadfastly and prominently in view by the directors of the new bank; for, by allowing interest upon deposits, they offer an inducement to a heavy accumulation of these in their hands, and that accumulation will necessitate their making advances to a proportionate extent.

A TREATISE ON BANKING.

THE DUTIES OF A BANKER, AND HIS PERSONAL REQUISITES THEREFOR:

BY A. B. JOHNSON,

Author of "A Treatise on Language, or the relation which words bear to things;" "Religion in its relation to the present life," &c.

To the HON. CHARLES STEBBINS, of Cazenovia,  
*Late Bank Commissioner of the State of New York:*

MY DEAR SIR,—Having employed the last thirty-three years of my life in the business of banking, whose incessant responsibilities and urgent cares are little suited to the anxiousness of my disposition, I have long lured myself onward with a determination, indefinite as to the period of its execution, to transfer my position to some person better organized than I am for its duties.

With this design, I commenced the following summary, that I might yield to my eventual successor the aid of my experience.

Banking, as a branch of speculative political economy, I had studied even anterior to the thirty-three years in which I have been a banker. In the year eighteen hundred and thirteen, I published in New York "An Inquiry into the nature of Value and of Capital, and into the operation of Government Loans, Banking Institutions, and Private Credit." You will not, therefore, be surprised if in the following sheets, I have had to struggle continually against a tendency to discuss banking, more speculatively than was necessary to the practical object that alone constitutes the intention of the work. The banking which I have sketched, is the banking I have practised, and with results that I contemplate with perhaps allowable complacency. The bank whose operations I exclusively have directed for the last thirty years, was almost in ruins when I entered it, but not a dollar of its capital is now inactive, nor a dollar of its loans insecure. Its stockholders have in the meantime been exempted from all taxes on their stock, and been paid in regular half-yearly profits, two hundred and eighty-four and a half per cent. on their capital; twenty per cent., however, of which was paid out of the special earnings of a connected institution, the manager\* of which is one of the most extraordinary men of the country, and with whom, in practical results of any kind, I presume not to compete. And perhaps, I ought to say, with reference to my institution, that its officers have been most exemplary in fidelity and skill. One of them,† the second in grade, has performed his routine of responsible duties from the first organization of the bank, (thirty-four years ago,) without having omitted the performance a single day, except once for about one week on a very special occasion. On him has entirely devolved the accounts of the bank, and they have ever been faultless. This singular accuracy is united to a temper never exhibiting excitement, a patience exhaustless, and an honesty that extends to the most minute interests of the bank dealers as well as of the bank; of which, I may add, he was never a stockholder or debtor, acting in his vocation from duty alone.

In this day of speculation by the managers of banks, of frauds, whose chance for legal impunity seems to increase in proportion to the pecuniary magnitude of the fraud, I have dwelt minutely on the above faithfulness in a sort of *esprit du corps*; and I present it to you, together with all the other parts of this little work; because no person can better than you appreciate such a character, or decide more understandingly than you on the banking which I have sketched.

You will detect omissions of detail, and various other faults, but long habits of justice, as well as your friendship for the author, will dispose you to view the work with all the little favor it deserves.

THE AUTHOR.

UTICA, May 1, 1849.

\*Henry B. Gibson, Esq. of Canandaigua.

†Thomas Rockwell, Esq. of Utica.

## PART FIRST.—THE BANK.

*Of Discount or Interest.*—Banking consists, principally, in lending money at the legal rate of interest, and, sometimes, under. The loans are called discounts because the interest is paid in advance and deducted from the amount of the note. But if a bank were to deduct seven dollars from a hundred dollar note payable a year after date, the bank would receive seven dollars for a loan of only ninety-three dollars. To avoid such a result, which is, probably, an excess, beyond the legal rate of seven per cent. interest, the bank deducts from the note as much less than seven dollars, as will prevent any illegal excess of interest. The bank pays ninety-three dollars and forty-six cents for the note, because that sum, if placed on interest for a year, will become a hundred dollars; just the amount of the note. Formerly all the banks of our state would have deducted seven dollars from the note, and such a mode of computation has been adjudged in England to be legal, and has been twice thus adjudged by our Supreme Court. But several years ago, in a case before the Court of Errors, the then Chancellor stated, incidentally, that he deemed such a computation usurious. Since then all the banks in the state, except some, or all, in the city of New York, have, from timidity or caution, adopted the modified calculation, as above exemplified, even when calculating interest on notes that are to mature in two or three months. If, however, the original mode of calculating is defensible at law, (some eminent lawyers insist it is defensible,) the legality ought to be established by adjudication or legislation, for the benefit of the banks who refrain from that mode of computing discount, and for the safety of such as hazard the computation.

*Difference among Banks as to the Allowable Rate of Discount.*—All the safety fund banks of our state, are restricted in the computation of interest, to six per cent. the year on notes and drafts that will become payable in sixty days or less, from the time of the discount; but what are termed free banks are permitted to take seven per cent. In the early periods of banking, when banks were located in only large commercial cities, nearly all loans were of the above short description; and as no mode of computing six per cent. discount will make the interest exceed the legal rate of seven per cent., banks took the whole of such discount in advance; hence, probably, arose the practice of deducting in advance, the seven per cent., also, on loans that exceeded sixty days in duration;—the question of usury being either unthought of, or deemed inapplicable to such transactions. So, probably, originated the practice of computing sixty days as the sixth part of a year in all calculations of bank discounts. The computation resulted in no usury while applied to six per cent loans, but, subsequently, when from habit or inadvertence, sixty days were called by banks the sixth part of a year, in seven per cent calculations; and ninety days were called the fourth part of a year; all the banks of the State about twenty-five years ago, suddenly discovered, by an accidental decision of the Supreme Court, that nearly all the bank securities then existing, were void in law; and at least one bank lost largely by the discovery.

*The Profits to a Bank from its Bank Notes and Deposites.*—A bank which should possess a capital limited to a hundred thousand dollars, could lend only a hundred thousand dollars, if it possessed neither bank notes of its own creation, nor deposits of other persons' money; hence, such a bank could gain but six per cent. the year on its capital, if its loans were made on securities that would mature in sixty days, or but seven per cent. if its loans were made on long securities. But from this six or seven per cent. would have to be deducted, the salaries of the bank's officers, the rent of its banking house, its stationery, fuel, taxes, &c., so as to leave of its income, to be divided among its stockholders, not more than from three to five per cent. the year, a dividend smaller than the productiveness of capital in other occupations, and, consequently, destructive to the continuance of banking.

By means, however, of lending bank notes of its own creation, such a bank may be able to lend much more than the amount of its capital; and increase its profits accordingly. And if the borrowers, or other persons, will deposit with the bank a portion of their money, the bank can lend, also, some part of these deposits, and thereby enlarge further the profits of the bank. The effect is alike, therefore, of circulation and deposits; and the nature of them is similar;—circulation is deposits inside out, while deposits are circulation outside in. Both also must be paid by the bank on demand, and the bank knows not when the payment of either may be demanded; but so long as any bank possesses, daily, a sufficiency of money to pay all the deposits and bank notes whose payment is daily demanded, the bank feels at liberty to lend on interest the excess. From the last December official returns, on oath, sent to the Comptroller, by the one hundred and eighty-four banks of our state, their aggregate capital, including accumulated profits, and deducting the money invested in banking houses, a little exceeds forty-seven millions of dollars, which is all loaned on interest; and in addition thereto, some more than forty-five millions of their bank notes and deposits; hence, we discover the amount of benefit which banks derive practically from their bank notes and deposits.

*Bank Dividends.*—The benefit derived from circulation and deposits, though large in the aggregate, as appears above, still barely suffices to make bank capital desirable property. In January, of the year eighteen hundred and thirty-five, the then bank commissioners reported to the Legislature, that "the average dividends of all the banks, during the last three years, had been  $7\frac{8}{10}$  per cent. the year, on the invested capital." The present public statements required periodically from the banks, omit the amount of dividend which the banks pay, but no reason exists for supposing that banking is more profitable than it was at the former period; or even quite so profitable, as more competition exists than existed then.

Some small banks that are favorably located, and conducted with great economy, pay annually ten per cent. in dividends, and a few pay more; but a bank that pays eight per cent. the year, will contrast favorably with the general average of banks; while the ruin which occasionally overwhelms banks, absorbing their whole capitals, evinces that banking is so hazardous, that the excess, if any, of bank dividends over

seven per cent. the year, the legal rate of interest is, even in prosperous banks, rarely more than an equivalent for the hazards incident to banking; this, too, after we include in the annual dividend, the exemption from taxation that pertains to the owners of bank capital;—the taxes being all paid by the bank. We are yet to learn whether banking will continue to be desirable by capitalists, when it shall, next year, become burthened with the additional liability contemplated by our State's new constitution;—the addition doubling the existing liability of bank stockholders, and adding no new remuneration to the invested capital. The morality, and, perhaps, the constitutionality of the law, may well be questioned, of thus adding *ex post facto* liabilities to pre-existing bank stockholders; for though bank charters reserve to the legislature a power to alter charters, the proposed alteration relates not to the charters, but to the ownership of bank stock.

*Benefits to the Public from the use of Bank Notes.*—We shall, however, possess but an inadequate appreciation of the nature of bank notes and deposits, if we estimate them by only their lucrativeness to banks. To so insufficient an estimate we probably owe the prejudice which exists against banks, and certainly bank notes would be intolerable, if the public sustained without an equivalent, the hazards incident to paper money. By the published bank reports of December last, the banks have loaned to the public, on private and public securities, ninety-two millions and a half of dollars, while the banks could have loaned only about forty-seven millions had the banks not been assisted by the use of bank notes and deposits. The excess is some more than forty-five millions of dollars. Twenty-three millions of this is composed of bank notes; the residue is composed of deposits. But as we desire to estimate, impartially, the merits of paper money, we will assume that the amount of bank notes loaned, was only twenty millions of dollars; and that the remaining three millions of them, was represented by specie, which the bank notes had taken out of circulation and placed in the vaults of the banks. This is probably accurate, for though the banks possessed, last December, nearly seven millions of dollars in specie, yet we may well assume that a ratable portion of it belonged to the deposits.

Assuming then that the ability to create bank notes had caused the banks to increase their loans twenty millions of dollars, the public are benefitted by the bank notes to the extent that the use of twenty millions of money exceeds in productiveness the interest that the banks charge therefor. That the productiveness is more than the bank interest, is demonstrable from the competition that exists for loans. They are usually deemed favors by borrowers who can give for them the most undoubted security.

Nor is the benefit which accrues from the employment of paper money confined to the borrower. It is shared variously by every person amongst whom the bank notes are circulated; for whoever receives money receives it in exchange for his labor or property that he values less than the money for which he exchanges it. Conceive now the rapidity with which money passes from one person to another, (its use being too costly to permit any person to retain it long in inactivity,) and

you may approximate, remotely, to the number of persons who, during any one year, must be benefitted by the twenty millions of dollars; and if you can aggregate during any such year the benefits to the borrowers, and the innumerable participants as above, you will obtain a glimpse, (greatly inadequate it must be,) of the merits of bank notes, irrespective of their use to banks as a means of banking profits.

*Relative Utility to the Public of the Safety Fund and Free Banks.*—Nor must we omit in our calculations as above, that the twenty millions of loans produced by the use of bank notes, can exist by no other means. Any legal prohibition of bank notes would compel banks to reduce their loans to an amount equal to the extinguished bank notes. In this connection, we may contrast with possibly some utility, the two systems of banking which are struggling for mastery in our State; if the struggle be not already over by a tacit decision in favor of what are termed the free banks. The free banks can issue no bank notes without pledging with the Comptroller an equal amount of the public stocks of this State; while the safety fund banks can create bank notes at no greater expense than the cost of paper and printing. The free banks, therefore, take out of circulation, for the purchase of public stocks, as much money as they subsequently are able to return in bank notes.\* That this theoretical view is not essentially different from the actual result will appear by the last December bank reports.† Ninety free banks exist in the State, excluding the free banks of New York, Brooklyn, Albany and Troy. These ninety banks own an aggregate capital of six millions and a half of dollars. The capital was taken from the community in which the banks are situated, and the banks have returned it back in "loans and discounts;" and only one million two hundred thousand dollars in addition. The same district of country is occupied by fifty-one safety fund banks who own an aggregate capital of eight millions seven hundred thousand dollars. This sum has likewise been returned in "loans and discounts," with seven millions two hundred thousand dollars in addition. If then the above safety fund banks should be converted into free banks, the loans to the public would, on the above principles, have to be diminished some more than five millions of dollars; a diminution which exceeds one-fifth part of the whole existing "loans and discounts" of both the safety fund and free banks in the district of country embraced in the above calculation;—namely, the whole of the State with the exception of New York, Brooklyn, Albany and Troy. The country thus abridged in its means of active business, would receive no equivalent therefor in any shape; except an imagined greater security against insolvent bank notes.

*Loss to the Public from Insolvent Bank Notes.*—Legislation on the subject of bank notes has looked only to the evils of loss from insol-

\* Originally free banks could issue bank notes on a pledge in part of real estate; and notes thus issued are not obnoxious to the above difficulty, as the real estate remains in the possession of the mortgagors, subject to its accustomed uses to society.

† In relation to the report of December last, we must remember that some of the existing free banks issue bank notes founded on a pledge of real estate, hence the contrast which we have attempted between the two systems of banking, is more favorable to the free banks than it can be when all bank notes of the free banks shall be founded on state or kindred stocks.

vent banks. This evil will be terminated, when no bank notes can be created except on an equivalent pledge of public stocks; but the legislature ought to inquire whether the remedy is not worse than the disease. Possibly if the disease be estimated by practical results rather than by declamation, (and declamation is much our wont in this particular,) each man may find, on reflection, that his loss from insolvent bank notes has been small, even without setting off against it the amount that he has been benefitted by solvent bank notes. The laboring poor are the persons for whom, in this matter, commiseration is usually most eloquent; but no class of society is benefitted more directly by an exuberant currency than manual laborers, and no class hazards so little by its dangers. From the danger which attends the creation of paper money, (the danger from owning bank stock,) the laboring poor are necessarily exempt. The only danger to which a poor laborer is exposed, is the casual possession of an insolvent bank note. This loss we fallaciously magnify by saying, that the loss of a dollar when it constitutes the whole property of a man, is relatively as great a loss to him, as the loss of a thousand dollars to a man who is a thousand times richer. The fallacy of the argument becomes manifest when we estimate the respective losses by the respective power of the parties to reinstate themselves as they stood before the loss. The laboring man accomplishes this by a day's labor, while the richer man may labor a year and not accomplish a like result.

*The Safety Fund.*—But while we speak in favor of the safety fund banks, we would not be understood as speaking favorably of the safety fund, which punishes honest bankers for the frauds of the dishonest. It is, also, vicious in its tendency, for it promises indemnity against bank insolvency, and thereby prevents the scrutiny of the public into the conduct of bankers; permitting extravagance, improvidence and dishonesty to unmolestedly effect their ravages. The solvent banks who are liable to the safety fund, have paid thereto nearly two millions of dollars for losses, and are still to pay, annually, during the continuance of their charters, the half of one per cent. on their respective capitals. Of this immense loss, about one million and a half of dollars accrued from banks in Buffalo, of whom in particular, and of all the broken banks in a great degree, may be affirmed, that if they had been unaided by the credit of the safety fund, they never would have been trusted sufficiently to much injure any person. And could the money abstracted by their agency from the safety fund be traced to the real beneficiaries, it would be found in the possession, not of innocent sufferers, but mostly of accessories to the frauds and mismanagements by which the losses to the safety fund were produced.

*Relative Lucrativeness to Bank Owners of the Safety Fund and Free Banks.*—Having thus shown how our existing two systems of banking act respectively on society, we will examine how they compare in profits to the stockholders. We will assume that the free banks can issue no bank notes except on an equivalent pledge of State six per cent. stocks; and that the State stocks can be purchased at par. The legal and attainable interest of money is seven per cent.; hence the free banks lose one per cent. the year, on the amount of all their bank



notes. Some persons may say that the difference is not merely the excess of legal interest over the six per cent. received on the State stock, but the excess of what the hundred dollars, which is invested in State stocks would have earned in banking—say eight per cent.; and thus that the loss in procuring bank notes is one per cent. the year in the interest, and an additional one per cent. in privation of productiveness; making the real loss two per cent. the year, on the amount of bank notes. We will, however, adopt the first mode of computation, and call the loss only one per cent., when the stocks can be purchased at par.

But the stocks cannot be thus purchased. They are selling at a premium of ten per cent., which makes the loss of interest one dollar and seventy cents the year on every hundred dollars of bank notes; without allowing for the ultimate loss of ten per cent. on the stock, when it comes to be paid off at par by the State. We shall not, therefore, be extravagant in assuming that the free banks lose one and three-quarters per cent. the year, on the amount of their bank notes; while the safety fund banks create bank notes without any loss, except the half per cent. the year, paid on their aggregate capitals to the safety fund, and now a total loss. This reduces the comparative disadvantage of the free banks to one and a quarter per cent. the year, on the amount of their capital invested in bank notes. By the published bank reports of last December, all the free banks of the State, (excluding those of New York city,) possessed an aggregate capital of a little more than seven millions and a half of dollars, while the bank notes were equal to that sum with the exception of about four hundred thousand dollars;—so that the free banks out of the city of New York were, (so far as our hypothesis is applicable to them,) banking at a disadvantage, as compared with the safety fund banks, of one and a quarter per cent. the year, on nearly their whole capitals.

*Free Banking in New York.*—The free banks in the city of New York are differently circumstanced. Their aggregated capital, in December last, was \$ 7,148,710, while their bank notes amounted to only \$ 1,745,250. In the city, therefore, the free banks lose, annually,  $1\frac{3}{4}$  per cent. On their bank notes, say \$ 30,540  
And gain by exemption from the safety fund, half per cent.  
the year, on their capitals, say 35,743

Leaving an annual balance in favor of free banking in the city of New York, \$ 5,203  
Besides the further benefit of being able to charge seven per cent., the year interest on loans of sixty days and under, while the safety fund banks can charge only six per cent. This source of benefit is enjoyed also by the country free banks, and to the extent of its availability will mitigate the assumed loss of free banking in the country. In large cities like New York, the difference between six per cent. and seven, on short loans, must produce a gain to the free banks, of at least a quarter of one per cent. on the whole of their bank capital; and, possibly, much more, for such paper is abundant in cities. If, therefore, we credit the free banks of New York city with the above advantage, in addition to the advantage already shown to exist in their favor, we shall see that

in the city, free banking is more lucrative than safety fund banking, burdened as the latter is with a safety fund tax of a half of one per cent.

If, however, the free banks of the city employ a smaller amount of bank notes in loans than they would employ if they could create bank notes without expense, as the safety fund banks create them, a consequent loss to the city free banks must be estimated before we can settle accurately the relative lucrativeness in the city of the two systems of banking; but banking in the city is so largely transacted on deposits, that the amount of the above supposable loss is, probably, much too small to counteract the preponderance of benefit which belongs there to the free banks.

*Relative Effects on City and Country Capitalists of the Safety Fund and Free Bank Systems.*—To bank stockholders, therefore, the free bank system is rather more lucrative in New York city than the safety fund system with its existing burdens; while in other parts of the state, the free bank system is less lucrative by about one per cent. the year on the invested capital than the safety fund system. City capitalists, therefore, possess in the business of banking, an advantage over country capitalists.

*Relative Effects on City and Country Commerce of the Safety Fund and Free Bank Systems.*—Let us now inquire what portion belongs to the country and what to the city of the public loss which will result, as we have shown, when no bank notes can be created except on an equivalent pledge of public stocks. By the bank statement of last December, the bank loans founded on bank notes, are about three dollars in the country to every one dollar in the city; so whatever injury may result from the extinguishment of safety fund bank notes, the injury will fall on the country in the proportion of three dollars on the country, to every one dollar of injury on the city. The customers of the city banks live near the banks, and, consequently, employ but few bank notes;—checks founded on deposits being substituted in the city, for bank notes, in nearly all business transactions. In the country, the bank borrowers employ the borrowed money at places remote from the lending bank, and must use bank notes. The country, therefore, and the city are interested in very different degrees by all laws which abridge the free issue of bank notes; but should the legislature prohibit bank deposits, except on a pledge by banks, of State stocks, the law would embarrass the business of the city beyond its embarrassment to the country, in just about the same proportion as such a law in relation to bank notes, embarrasses the business of the country, beyond its embarrassment to the city.

*Different Legal Privileges accorded to Different Safety Fund Banks.* Originally, every safety fund bank was permitted to issue bank notes to three times the amount of its capital, but in cities, where large banks are needed, business is transacted principally by means of deposits; hence a New York two million bank soon found that its ability to issue six millions in bank notes was a useless privilege. But in the country where banks are small, in accordance with the small pecuniary ability of country capitalists, and the smallness of inland dealings, business is transacted principally with bank notes, hence a hundred thousand dollar

country bank found that it could, occasionally, employ more than all its allowable issue of bank notes. From this development of practice, the legislature abrogated the useless equality that existed in the allowable issue of bank notes, and permitted a two million bank to create only twelve hundred thousand dollars of bank notes, while a hundred thousand dollar bank was permitted to issue a hundred and fifty thousand dollars in bank notes. The bank note issues of intermediate magnitudes of capital were graduated by the above proportions. The advantage is still largely on the side of the two million bank, for the legal limit is much above its wants, while the limit on the small bank is often a practical abridgment of its business. The two existing two million banks of New York had together, last December, only four hundred and sixty thousand dollars of bank notes in circulation; and as nothing but their own wishes prevented them from issuing more, we must infer that they desired no greater issue.

*Difference in the Productiveness of Different Magnitudes of Bank Capital.*—The existing graduation of bank notes to capital as above explained, is, practically, more favorable to the two million bank than to the hundred thousand dollar bank; still, when we compare the proportionate gains of the two banks, a preponderance exists usually in favor of the hundred thousand dollar bank. Different locations afford, no doubt, different degrees of facility for the production of gain in banking, as in other operations; yet, independent of that difference, some magnitudes of capital seem to be naturally more lucrative than other magnitudes, even when we make all due allowance for different degrees of skill in bankers, or the exercise of different degrees of economy.

To investigate the source of the above differences, and to determine what magnitude of capital yields inherently the largest annual percentage of gain would involve us more deeply into the philosophy of banking than is necessary to our present design; and we have introduced the subject only to excite attention to it, should any person wish to investigate it further.

*The Currency.*—On the ninth of last December, the one hundred and eighty-four banks of our State owed individual depositors \$29,205,332 Their bank notes in circulation amounted to - - 23,206,289

Making an aggregate of indebtedness payable on demand	\$52,411,621
Of which aggregate the banks had loaned on public and private securities	- - - - - 45,209,372

Being the whole with the exception of - - - \$7,202,249

This seems bold, but if the money has been so loaned that it can be recalled by the banks respectively, as fast as they are respectively called on to pay the deposits and bank notes, the apparent boldness will subside. The banks possess another reliance. They have loaned not only the above deposits and bank notes - - - \$45,209,372 But also the capitals of the said banks, say - - - 47,333,879

Making a total of loans on public and private securities of \$92,543,251

The banks are therefore safe if they can recall enough daily, out of the above enlarged aggregate, to meet the daily returning bank notes, and the daily withdrawn deposits. This theoretical ability of the banks, is strengthened by experience, which shows that the aggregate amount of bank deposits and bank note circulation, varies but comparatively little from day to day, and even from month to month, and from year to year. Bank notes are continually being returned to banks for payment, but they are continually paid out again as money; so deposits are continually being drawn out by depositors, but they are continually returned as new deposits.

*The Currency of the State is a sort of Measure of the Business of the State.*—The small variation in our State from month to month, in the aggregate amount of bank circulation and deposits, evinces that the commerce of the State employs the given amount of circulation and deposits. They constitute the currency of the State, for usually the other items of currency, (specie and foreign bank notes,) are small in comparative amount. Commerce cannot ordinarily expand without an expansion of the currency, nor can either contract without a contraction of the other. And we may all have experienced, that business is more usually contracted from inability to obtain currency, than currency is contracted from diminution of business. A proof of this is the expansion, apparently illimitable, that gradually occurs in business whenever banks become able to expand the currency.

*The Business of the State is a sort of Guarantee to Banks for the Permanence of a given amount of Currency.*—The connexion which exists between business and currency, constitutes a practical guarantee to the banks that their bank notes will not all be suddenly returned for payment, nor all deposits be withdrawn. But for this guarantee no banker would dare to issue bank notes beyond the amount of his specie in bank, or to lend any portion of the money that he holds in deposite. If we examine the magnitude of the currency of our State when money is said to be scarce, and compare it with the magnitude that exists when money is said to be abundant, the difference will be small, and thereby shows that the guarantee above alluded to is potent. The currency will occasionally suffer a diminution that may distress bankers, but the great bulk of it must be as permanent as the business operations of men.

*A Surplusage of Currency can never exist long.*—Neither bank notes nor bank deposits can exist long in excess, for some persons are paying interest for them to the banks:—for example, the public, last December, owed the banks more than forty millions of dollars, beyond the aggregate of all the deposits and bank notes; consequently an extinguishment of this indebtedness furnishes a use for all existing bank notes and deposits,—a use equal to say seven per cent. the year on the whole sum; hence the extinguishment of the currency, by the payment of bank debts, becomes a sort of safety valve through which the currency vanishes during any diminution of existing business pursuits. “Dust thou art, and unto dust shalt thou return,” is not more applicable to the human body with reference to the earth, than to bank currency with reference to bank loans. The currency originates with bank

loans, and by the repayment of the loans the currency becomes extinguished. We accordingly find that when business is technically dull—that is, when men cannot use currency at a sufficient profit to pay the banks seven per cent. interest thereon for short loans,\* the aggregate of bank debts diminishes daily by voluntary payments from bank debtors. At such times, the Bank of England reduces its rate of interest, for though no existing business may justify the payment of seven per cent. the year, on short loans, for the use of currency, business may exist that will justify the payment of six per cent. or five or four. By thus periodically graduating the rate of bank interest, by the extemporaneous profitableness of the employment of currency, the Bank of England keeps its aggregate amount of loans as high as it desires.

*The Extinguishment of Bank Circulation and Deposites; and the Extinguishment of Debts due to Banks, preserve a pretty Uniform Equality.*—The daily payments to all the banks of the State, come naturally to be about equal in amount to the aggregate daily redemptions of bank notes and bank deposits. In the production of this equality the banks sometimes act compulsorily on the public; sometimes the public act compulsorily on the banks. When bank debtors pay voluntarily their bank loans, they compulsorily extinguish bank notes or bank deposits to the extent of the loans paid; but when banks exact a reduction of bank loans, the banks compel the extinguishment of bank notes and deposits to the extent of the reduction. Both calculations assume that the bank loans are paid not with specie, but with bank notes or deposits, for specie constitutes too small a portion of the currency of the State to vary much the general calculation.

*Specie Payments.*—The last December bank reports show that the banks of the State owe in circulation and deposits, nearly fifty-two millions and a half of dollars payable on demand in specie; while the specie in all the banks is not quite seven millions of dollars. To an inexperienced observer, nothing seems wanting to the destruction of banks thus circumstanced, but some casual run on them for specie. Indeed, a sort of vulgar error exists in relation to the importance of specie to the currency of bank notes, and even to the ultimate value of both bank notes and bank deposits. Bad indeed, and fallacious indeed would be both these, if their currency or value depended on the amount of specie owned by the banks at any given moment. Of the fifty-two millions in bank notes and deposits due from the banks last December, the true basis of their value was the ninety-two millions and a half in debts due

\* Borrowers may often be found for money at seven per cent. the year, when the loan is to continue for several years; while no borrowers may be willing to take money on loans for short periods. The Bank of England accordingly extends the duration of its loans, as well as reduces its rates of interest, when borrowers are not sufficiently numerous. But loans for short periods are alone desirable to banks, for a bank knows not when its currency may return for redemption, and hence cannot safely loan for long periods. The duration of bank loans comes naturally to be graduated by the time that ordinarily intervenes between the creation of currency by banks, and its return for redemption and extinction. The period of return varies with different employments of currency, and in different localities, but the period is rarely so long as to enable banks to extend the duration of loans beyond a few months.

to the banks, which, with the seven millions in specie, made together ninety-nine millions and a half of dollars, wherewith to pay the fifty-two millions of deposits and bank notes. For all purposes of solvency the banks, therefore, possessed ninety-nine millions and a half of specie,—seven millions of it in the vaults of the banks, and ninety-two millions and a half in the pockets of the people.

*Specie Suspensions.*—But as the fifty-two millions due from the banks in deposits and bank notes are payable on demand, while the ninety-two millions due to the banks are payable in daily portions, the whole not collectable under some months, the banks may be called on for payments faster than the bank debts will become payable, and a suspension of specie payments may ensue, notwithstanding the assistance which the banks will derive from the possession of seven millions in specie at the commencement of the struggle. Our State has experienced three such suspensions, but no abatement of avidity by the public was produced thereby, in the desire to procure bank notes and bank deposits. They continued as valuable as ever for the purposes of currency, and were less valuable than specie only when specie was wanted for some other purpose than for currency within our state.

*Suspension of Specie Payments by a Single Solvent Bank.*—The inherent value of bank notes and bank deposits, independently of their convertibility on demand into specie, is best seen, when a single solvent bank suspends specie payments. Within a circuit of country occupied by the debtors of the bank, its notes and deposits will continue to be current so long as the debts daily becoming due to the bank, continue to be equal in amount to the bank notes and deposits that will be seeking redemption. Suppose, however, that the debt which you may owe the bank will not become payable under four months, still notes and deposits to the amount of your debt will possess a value to you equal to specie, less the interest for the four months; hence, if the bank possess good debts equal in amount to its notes and deposits, such notes and deposits can, intrinsically, depreciate in value only to the amount of such interest;—nor will the deposits and notes depreciate intrinsically to that extent, if the bank shall be sufficiently solvent to eventually pay its notes and deposits with interest super-added, according to the requirement of law.

*Legal Tender.*—The Bank of England suspended specie payments continuously during twenty years, and its notes and deposits retained the value of specie, except where gold and silver were needed for other purposes than domestic currency. Some persons attribute the result to an act of parliament, by which costs could not be recovered in a legal prosecution against a debtor who tendered payment in notes of the Bank of England. No law, however, can confer a value on insolvent paper money, except as the law may act on pre-existing contracts. The law may, indeed, forbid you from refusing to receive the money on new contracts, but you will enter into none. The experiment was tried during our revolutionary war, and it was tried subsequently by France, but prices for all saleable property increased continually, as the supposed actual value of the paper decreased.

**Receivables and Treasury Notes.**—During our specie suspension of the year 1814, the value of paper money was well illustrated by the origination of a new species of bank note, which, instead of promising to pay, promised to receive the note in all bank payments. The notes were called receivables, and they circulated as readily as specie in the vicinity of the issuing bank, so long as the bank restricted the emission within the amount needed by the bank debtors of the vicinity. The same principle is apparent in the treasury notes emitted occasionally by the Federal Government, and bearing no interest. The notes are receivable for duties, and in all other governmental payments, and this receivability confers a specie value as currency on such notes, to the amount of several millions of dollars scattered over the Union. Occasionally the notes accumulate in New York faster than they can be used in governmental payments, and then they sell at a discount which is graduated in degree by the time that will elapse before the notes will be needed in payments to government. The currency of such treasury notes, despite their inconvertibility into specie, is often attributable to the known solvency of the government; but no considerations are necessary to the currency of the notes, but a consciousness that the notes will immediately, or shortly, supply a use for which specie will otherwise be needed.

**A National Currency.**—In a national bank, like the Bank of England, possessing a capital of many millions of pounds sterling, invested in short loans to bankers and merchants, and the recipient of all the governmental monies that accrue from taxes, duties, excise, &c., any notes would circulate as specie that the bank would receive. The notes which the Bank of England now issues being payable on demand in specie, the bank is compelled to subordinate the amount of its bank note currency, and, consequently, the amount of its daily loans, to the accidental fluctuations that occur in the demand for specie; how disastrously soever the subordination may affect the internal commerce of the kingdom. In place of its present notes, were the bank to substitute a currency like the receivables of which we have been speaking, gold and silver could be exported or imported according to the requirements of commerce without any consequent derangement of business. Such a currency would be as expansible, at all times, as the business requirements of the country; and without losing, intrinsically, its ultimate specie value, since every debtor of the bank would be holden to pay his debt in specie, to the extent that he could not procure the notes of the bank. The ultimate value of the present currency is connected with specie, by means of an ability to compel the bank to pay specie on its notes; but in the other currency, the ultimate value would be connected with specie, by means of the bank's ability to compel its debtors to pay specie on their bank debts. The responsibility of procuring specie rests now on the bank; the responsibility in the other system would rest on the bank's debtors. We cannot, however, avoid seeing that the bank might issue so large an amount of such notes that an excess might be occasionally produced beyond the quantity that could be kept at par value. The depreciation might be illimitable in its degree, should the bank augment illimitably the excess of currency.



Possibly, therefore, the power to create such a currency cannot be safely committed to any institution; and evils less radical, result from the existing system of paper money, notwithstanding its sudden contractions on a foreign demand for specie, than would result from any different system.

*Expansions of the Bank Note Currency.*—Having thus considered the nature of paper money, we will proceed to consider the principles by which its volume is regulated, when a power exists, as in safety fund banks, to expand at will the currency within a given limit.\* When country products sell at unusually high prices, the purchase of them employs a greater amount of money than when the articles sell at low prices. High prices proceed usually, from some extraordinary demand for the appreciated articles, and the extraordinary demand increases the number of the purchasers, and the frequency of sales and resales: all consequences which augment the amount of money that purchasers of produce borrow from the banks. Besides, as the price augments of any article, the area enlarges over which purchasers extend their operations, creating thereby new applicants for bank currency.

*The spirit of Speculation is Contagious.*—Every marketable article is subject to an increased action like the above, and after speculation is aroused, it becomes contagious, so that speculators multiply fast; and though the original purchases may be limited to wheat, all other species of grain soon become added thereto, and other articles of a different nature. In the year eighteen hundred and thirty-seven, every man and woman became infected with a desire for the unoccupied lands of the United States, and millions of dollars in bank notes were borrowed from banks and sent to Michigan, Ohio, Illinois, and other places where the coveted lands were situated. City and village lots any where, soon were purchased with avidity; and the purchases undergoing an incessant activity of sale and resale, vast amounts of new currency were created for the occasion.

*Expansion of Bank Deposites.*—The operations which produce in the country an expansion of the bank note currency, produce in cities an expansion of bank deposits. These became accordingly in 1837, as unusually expanded in amount, as bank notes. Banks readily encourage expansions, because bank profits are thereby augmented; nearly every dollar of the increased bank notes and deposits being represented by some loan made on interest by the banks.

\* This expansibility to meet the wants of commerce, makes the safety fund banks more useful than the free banks. As relates to deposits, both kinds of banks possess an equal expansibility. The expansibility of a bank note currency renders such a currency better, as a commercial instrument, than a specie currency, whose unexpansibility would constitute a great practical check on competition and on enterprise generally. A specie currency is not wholly unexpansible. We experienced this in the late famine in Ireland. Specie was sent from England to purchase our breadstuffs, but an expansibility from such a source, is slow; and it can occur in only emergencies of international commerce, not in emergencies of domestic commerce. The relative effect on prices of the two kinds of currency, (paper and specie) during times of speculation, we shall not discuss, the discussion being not necessary to our design; but the discussion is essential to a proper understanding of the utility of paper money.

*Contraction of the Currency.*—The currency of the State is subject to an incessant ebb and flow as respects the amount of the aggregate, and as respects each bank's particular share thereof. Our State possesses one hundred and eighty-four banks, and as each bank is a sort of independent sovereignty, each guards vigilantly its own interests, by endeavoring to obtain for itself as many deposits as it can; and as large a share as it can of the aggregate bank note circulation of the State; hence when bank A, receives in payments or deposits, notes or checks of bank B, they are speedily sent to bank B, for redemption. By this process, bank notes and bank deposits circulate through the State, as blood circulates through the human body. Every bank is a heart from which is continually flowing its bank notes by means of borrowers and depositors, who act as arteries to distribute the bank notes through all the business ramifications of the State; while every other bank is a vein, that is incessantly absorbing the said bank notes, and returning them to the bank from which they originally emanated. Some of the notes of every bank are returned to it through the agency of brokers, who, like separate and peculiar absorbents, soak up, by purchases at a small discount, bank notes which have been casually carried out of their proper sphere of action, and thereby become a sort of merchandize more or less depreciated in value, as the notes have wandered from home, and lost their properties as currency.

*Periodical Contractions.*—To carry further the analogy between the circulatory systems of banks and of the human body, banks are, as well as men, subject to an occasional rush of blood to the head. The disease is prevalent with the banks in the spring and fall. Country merchants resort then to New York for their mercantile supplies, and take thither country bank notes which they have accumulated from their customers and debtors. Every merchant draws also from his depositing bank all his deposits, and borrows from the banks to the extent that loans are attainable. When he arrives at New York, any part of his money that is current at the city banks, soon flows thither; while the part which is uncurrent flows to the brokers; and brokers and banks with the utmost speed\* of railroads and steamboats, send the country money home for redemption.

*Pressure Contraction.*—The contraction just referred to, is almost peculiar to inland banks, but the Atlantic banks are subject to a contraction that rarely affects extensively the interior. This contraction is consequent to a demand for specie on the Atlantic banks, whether the specie is to be exported to Europe, or paid into the sub-treasury, or to be used for any other purpose. In December last, the banks of New York city possessed less than six millions of dollars in specie; while they were liable to be called on for rather more than twenty-seven millions in payment of bank notes and deposits;—besides some nine millions in payment of debts due banks and other corporations. To be

\* Speedy redemptions are desired by brokers as a means of saving interest on the money which they employ. The country money that is received by the New York banks is paid by the country banks as soon as it is received in New York, for the New York banks take no country money except of banks that keep money with them wherewith to redeem.

thus liable was not peculiar to last December. The position then may be esteemed something better than a fair average of the usual condition of the city banks. Nor is the position bad, as the banks possess a claim on their debtors to the amount of forty millions and a half of dollars in discounted notes payable daily, and nearly all becoming due within three months; besides some seven or eight millions of dollars in other securities.

But the banks are liable primarily, and if specie is demanded from them to the extent of even a half a million of dollars, the banks become sensitive and severally endeavor to strengthen themselves by refusing to lend, and by exacting payments from their debtors. Now as all the current money of the city is composed of the bank notes of the city banks, and of deposits in the said banks, all the loans that bank A, can call in, will be paid in some of the aforesaid currency; consequently so far as the payments strengthen bank A, they impoverish banks C, D, and E. But C, D, and E, were too poor already, and were severally endeavoring to strengthen themselves the same as bank A, was endeavoring to strengthen itself; hence C, D, and E, call on their debtors more stringently than before, and their efforts will impoverish A, in the same way as the efforts of A, impoverish them.

*Panic.*—The struggle just described must, as it proceeds, increase in intensity with a sort of compound progression; and as each bank in recalling its loans, looks only to its own safety, each bank is practically impoverishing the others to the extent of its power. But the consequences of the struggle are not confined to the banks. The currency (bank notes and deposits) being thus suddenly diminished in amount, by the payment of bank debts, enough is not left to transact the usual business of the community. Money is said to become scarce. Property on sale cannot be readily sold, and with the diminution in the number of competing purchasers, prices languish and fall. Many persons who have depended on borrowing, to meet accruing engagements, are unable to borrow, and are compelled to suspend payments. In this category will be some merchants who have lived expensively in the most costly parts of the city, and been deemed rich; though actually long insolvent and kept from bankruptcy by only an ability to pay old debts by contracting new ones. Still they have been deemed as safe as other debtors, and men begin to query, whose insolvency may not follow next; especially as every failure involves other failures of endorsers and creditors. A new element, panic, is introduced into the pressure; and persons who have money to lend keep it unemployed until the storm subsides; and thus the last resource of embarrassment, the resource technically termed “the street,” where notes can ordinarily be sold at a usurious discount, is closed against the needy, except at rates of discount so enhanced by avarice and fear, as to engulf nearly the whole principal of any proposed loan; and thus to defeat the motive for the sacrifice.

The very day-laborers, journeymen-mechanics, and market people will sometimes become infected with the panic, and add to the general trouble by a petty run on the banks for specie, in liquidation of small deposits, or the payment of small bank notes.

*The Pressure reaches the Interior.*—While pressure and panic thus ravage the metropolis, the banks of the interior who at first are mere spectators of the struggle, begin to partake of the metropolitan distress. While money is plenty in the city, a portion of its currency consists of the notes of country banks, which are employed in ordinary occupations to avoid the expense attendant on their transmission home for payment; but when the pressure enhances the value of money, country bank notes are sold to the brokers in unusual quantities, and transmitted home for redemption. Nor is this the only intimation to country banks of the commotion in the city. The merchants of the country who are indebted to the city, are strongly importuned by the city creditors, to make speedy or even anticipated payments; and debts already due, can receive no further postponements. While country banks are weakened to the extent that these requirements are complied with, the resources of the country banks are often sadly diminished in these moments of unusual need, by the return unpaid of many New York acceptances on whose payment the country banks have relied for funds. The country banks can now no longer furnish loans, but begin to require payment from their debtors; and thus bring on in the country, a mutual struggle of bank A, against bank B, in the way we have represented the struggle in the city.

*The Pressure and Panic Terminate.*—Every pressure in New York will not rage to the extent we have described, nor will every city pressure extend into the country; but when a pressure is commenced, it rarely is arrested, till business is greatly diminished, and, comparatively, but little currency is required to conduct it. Exportable produce in the meantime becomes so reduced in price that it may be exported more advantageously than specie, in the liquidation of foreign balances. Importers have also abridged their foreign orders in accordance with the diminished prospects of a profitable trade. Specie is no longer in demand. The banks cease from urging the payment of bank debts, and gradually begin to resume the process of lending. Business men foresee that money will soon become abundant. They wish to purchase while prices remain at the panic and pressure standard. All entertain the same views. Competition revives, prices advance, the banks lend freely to indemnify themselves in profits, for the late period of abstinence. A new expansion is begun, to end at some future day in another contraction, another pressure, and, perhaps, another panic.

*The Sale of Exchange.*—Notes of the New York city banks are, in all parts of the State, equal in value to specie, by reason that persons in all parts are debtors to the city. Indeed, so much of the money of the State is required for uses in the city, that country banks can generally satisfy any demand for specie by a payment of the demand in bank notes of that city; or in a check upon some New York bank; so that the burden of maintaining specie payments in our State, rests wholly on the banks of New York. Their currency is the standard in our State of par value, and by it we graduate the currencies of all other places in the State and out; just as the longitude of places is estimated with reference to the distance east or west from Washington. Even during the various suspensions which we have experienced of

specie payments, the currency of the New York city banks has continued to be the standard of par value; and when the city currency has been less valuable than specie, the specie has been deemed above par, instead of the currency being deemed below par. People are often willing to allow a country bank a premium of a half of one per cent. and sometimes more, for a draft of the bank on New York; especially, as every country bank will receive in payment of the draft, notes of remote banks on which the holder could not obtain the specie without much travel and expense. The draft can be transmitted by mail, and its transmission by any mode of conveyance, is, from the legal nature of negotiable paper, less hazardous than the transmission of bank notes; to say nothing of the exemption produced by the draft, from the expense which attends the transportation of specie in large amounts. The selling of drafts on New York becomes, therefore, one of the regular sources of profit to country banks, as well as of convenience to men of business; and every country bank keeps funds there, and keeps funds in Albany, Boston or other places, for the purpose of selling drafts thereon at a premium, when the business of its vicinity makes drafts on such places desirable.

*Collections within the State.*—The principle which makes a merchant at Buffalo purchase at a premium of one per cent., a draft on New York, will make a merchant at New York sell at a discount of one per cent. a draft which he may own, payable at Buffalo. Banks, accordingly, charge a discount varying in magnitude of rate, according to distance, and other circumstances, when they give money to any person on drafts payable at remote banks. The charge is intended to remunerate the bank for its expense and trouble in procuring the payment of such drafts. The discount is, however, usually given not on drafts, payable at sight, but on notes and drafts payable at some future period; the bank charging interest for the unexpired time, and discount for collecting the money at a distant place.

*Collections out of the State.*—The collections just described are usually but a small source of profits. Some banks refuse the business wholly. But the banks in New York are said to transact such business largely, with paper payable in Philadelphia, Baltimore, Boston and other large cities of the Union and of Europe; a description of paper which the commerce of New York makes abundant in that city. In loaning money on such paper, banks allow nothing to the holder when the rate of exchange happens to be in favor of the place where the paper is payable; but this rule is not applied to European drafts, on which the difference of exchange is usually large. In paper on Philadelphia and other large cities of our Union, the rate of exchange is generally in favor of New York, hence the banks of New York, in lending money on such paper, rarely receive any benefit from the rate of exchange, except as they may charge a per centage for collection in addition to the interest on the money loaned. The charge for difference of exchange between any two commercial cities, will vary naturally at different periods; but the multitude of collecting agencies which exist, keep down the charge at all times to the lowest limit of reasonable remuneration. Still the business constitutes one of the phases of bank-

ing, and it completes the summary that we have proposed to make of banking operations.

## PART II.—THE BANKER.

*The Objects of Banking.*—Correct sentiments beget correct conduct. A banker ought, therefore, to apprehend correctly the objects of banking. They consist in making pecuniary gains for the stockholders, by legal operations. The business is eminently beneficial to society, but some bankers have deemed the good of society so much more worthy of regard than the private good of stockholders, that they have supposed all loans should be dispensed with direct reference to the beneficial effect of the loans on society; irrespective, in some degree, of the pecuniary interests of the dispensing bank. Such a banker will lend to builders, that houses or ships may be multiplied; to manufacturers, that useful fabrics may be increased, and to merchants, that goods may be seasonably replenished. He deems himself, *ex officio*, the patron of all interests that concern his neighborhood, and regulates his loans to these interests by the urgency of their necessities, rather than by the pecuniary profits of the operations to the bank, or the ability of the bank to sustain such demands. The late Bank of the United States is a remarkable illustration of these errors. Its manager seemed to believe that his duties comprehended the equalization of foreign and domestic exchanges, the regulation of the price of cotton, the upholding of State credit, and the control, in some particulars, of congress and the president:—all vicious perversions of banking to an imagined paramount end. When we perform well the direct duties of our station, we need not curiously trouble ourselves to effect, indirectly, some remote duty. Results belong to providence, and by the natural catenation of events, (a system admirably adapted to our restricted foresight,) a man can usually in no way so efficiently promote the general welfare, as by vigilantly guarding the peculiar interest committed to his care. If, for instance, his bank is situated in a region dependent for its prosperity on the business of lumbering, the dealers in lumber will naturally constitute his most profitable customers; hence, in promoting his own interest out of their wants, he will, legitimately, benefit them as well as himself—and benefit them more permanently than by a vicious subordination of his interests to theirs. Men will not engage permanently in any business that is not pecuniarily beneficial to them personally, hence a banker becomes recreant to even the manufacturing and other interests that he would protect, if he so manage his bank as to make its stockholders unwilling to continue the employment of their capital in banking. This principle, also, is illustrated by the late United States Bank, for the stupendous temporary injuries which its mismanagement inflicted on society are a smaller evil than the permanent barrier its mismanagement has probably produced against the creation of any similar institution.

*The Pecuniary Prosperity of his Bank should constitute the Primary Object of the Banker.*—From the foregoing remarks we infer, that the honor and pecuniary prosperity of his bank should constitute the para-

mount motive of every banking operation. A violation of this principle produced, in the year eighteen hundred and thirty-seven, a suspension of specie payments, which was visited on bank stockholders by a legislative prohibition of dividends, and visited on banks and bankers by a general obloquy. The banks suspended that the debtors of the bank might not suspend;—or worse, the banks suspended that the debtors might be spared the pecuniary loss that would have resulted from paying their bank debts. A conduct so suicidal was probably fostered by the pernicious union, in one person, of bank director and bank debtor,—a union from which our banks are never wholly exempt; nor are they always exempt from the same union still more pernicious, in the case of bank presidents and cashiers. With this inherent defect in the organization of our banks we can the more readily understand why, in 1837, the banks assumed dishonor to shield their debtors, and why the dishonor was continued for some more than a year in our State, and longer in others; and would have continued longer in ours, but from a refusal of its further tolerance by the legislature.

The same defect produced each of the three specie suspensions which the banks of our State have suffered. As a prelude to each suspension, the bank debtors of the Atlantic cities held enthusiastic public meetings, in which suspension was recommended to the banks; and the recommendation enforced by the assurance that the said debtors would sustain the banks in assuming a suspended position:—What a farce! What a “thimble-rig!” Such meetings mean, substantially,—suspend payments, that you may leave in our possession the money that we owe you;—assume dishonor that we may remain honorable.

*Specie Suspensions are never necessary to Banks.*—Every suspension of specie payments might have been prevented, had the bankers performed their duty to their respective banks, by prudence in the quality of their loans, and vigor in the enforcement of payments. No proof of this can be more convincing than the successfully sustained refusal of the Union Bank of New York to unite in the specie suspension of the year eighteen hundred and thirteen. All the banks of New England, at the same time preserved specie payments. We admit, that had all the banks of the Union refused to suspend payments in 1813, 1819 and 1837, business would have severely suffered; but this is a consideration for the legislature and not for the banks. They are creations of the law and should obey their creator. In England, during its struggle with Napoleon, the government prohibited specie payments by the Bank of England, when the suspension was deemed publicly useful. The suspension continued for twenty years, but the bank incurred thereby no disgrace, for it obeyed the law.

*The Interest of Debtors and Dealers should be subordinated to the Interests of the Bank.*—The subordination of the honor and interests of a bank to the avarice or necessities of its managers, or dealers of any description, is productive not of suspensions only, but of every disaster which usually befalls banks; and unless such a subordination can be prevented by the officer who acts specially as banker, no man who respects himself should continue in the position, when he discovers that such a subordination is in progress. The owner of a steam engine



regulates its business by the capacity of his engine, but should he regulate it by the necessities of his customers, he would probably burst his boiler. A ship owner regulates his freight by the tonnage of his ship; a contrary course would sink it. So every bank possesses a definite capacity for expansion by which bank dealers can regulate their business; but when a bank regulates its expansion by the wants of its dealers, or the persuasions of friendship, it will probably explode, or be otherwise unprofitable to its stockholders.

*Security.*—Banks charge for the use of money no more than the use is worth. Nothing is added for risk, and thereby money-lending differs from all other business that involves hazard. A great disproportion exists also between the amount hazarded by any loan, and the amount gained. The loan of a thousand dollars for sixty days involves the possible loss of a thousand dollars, without the possibility of a greater gain than some ten dollars. Banks, therefore, never regularly lend money without receiving the security of more than one person who is deemed safe for the debt; and a good banker will err on the side of excessive security, rather than accept security whose sufficiency may reasonably be questioned. In the country, two endorsers are usually required on every note that is discounted, but in cities, where discounts are made for shorter periods than in the country, one endorser is more usual than two.

*Moral Security.*—Independently of the wealth of the endorser, the banks derive from him a security founded on the natural desire of every borrower to protect his friends, should insolvency occur to the borrower during the pendency of the bank loan. An endorser will, also, usually foresee earlier than the bank when mischances threaten the borrower, and when appeals for protection should be made. To derive these benefits from endorsers they should be disconnected in business from the borrower, so as not to be involved in his calamities; hence, such disconnection is always one of the circumstances from which a banker judges of the sufficiency of any proffered endorser. Relationship of either consanguinity or affinity, between a debtor and his sureties, sharpens usually the desire of the debtor to protect his endorser; while again such relationship facilitates the concealment of a common pecuniary interest in enterprises, and facilitates collusions against the bank in times of disaster, that may more than counterbalance the benefits expected by the bank from the relationship.

*Security Founded on the Morality of a Debtor.*—The more lax the morality is of a borrower, the less will he probably feel the obligation to protect his endorsers; and the more lax the morality is of an endorser, the more will he struggle against a surrender of his property to pay an unprotected endorsement. As a general result, debts are rarely collectable from the property of an endorser, unless his property very greatly over-balances the amount of his endorsement. Instances are continually occurring where an endorser who is become liable for a bad debt which his property could pay, and leave him a surplus, will ruin himself in successfully preventing the application of his property to the debt in question. Hence, when a debt is contracted wholly on the property of the endorser, the debt will not be safe unless it is small in comparison with the wealth of the endorser.

*Security Founded on the Habits of a Debtor.*—Men who are prone to extravagance in their domestic or personal expenditures, rarely possess the amount of property they are reputed to possess. Men expend to be thought rich more frequently than they expend by reason of being rich. The rich are usually more inclined to parsimony than expenditure. Any way, persons who practise parsimony are in the way of becoming rich, whatever may be their present poverty; while persons who are profuse in expenditures, are in the way of becoming poor, though they may possess a present opulence.

*Security Founded on the Nature of a Man's Business.*—A man who transacts a regular business in a regular way, is not liable to sudden fluctuations in his pecuniary solvency; but when a man's business is novel, and its results are untried,—or when its results are frequently disastrous, the banker who grants him loans assumes some of the hazards and uncertainties of the business.

*Security Founded on the Application of the Loan.*—When money is to be invested in the purchase of merchandise, cattle, flour or other property in the regular course of the borrower's business, the investment yields to the borrower a means of repayment; nothing is hazarded but ordinary integrity, and ordinary exemption from disasters: but when the borrowed money is to pay some pre-existing debt, none of the foregoing securities apply, and, possibly, you are merely taking a thorn out of another person's side, to place it in your own.

*Security Founded on the Character of the Paper that is to be Discounted.*—Notes which a man receives, on the sale of property in his ordinary business, are termed business notes. The owner having received them as money, had satisfied himself of their safety; hence, when they are offered to a banker by a prudent man of business, they possess an inherent evidence of value. They were given also for property that will, in the ordinary course of business, furnish the means by which the notes may be paid; and thus they possess an additional ingredient of safety. Kindred to such notes are drafts which a man draws on a consignee to whom property has been forwarded for sale. If the consignee be a prudent man, (the consignor must deem him prudent or he would not trust to him the property,) he will not accept unless the property forwarded is equivalent in value to the amount of the acceptance. The property, therefore, will pay the acceptance, and while the property remains unsold, it constitutes an equitable pledge for ultimate payment. A country banker, however, will usually be benefitted in a long course of business, by never loaning on city names without a reliable country endorser or maker, or both; for nothing is usually more unreliable than the reputed solvency of the merchants of large cities.

*Acceptances in Advance of Consignments.*—A factor will sometimes accept in confidence that the drawer will supply him with funds in time to pay the acceptance. This will not constitute a worse security than an ordinary accommodation endorsement; but the transaction lacks the reliability and security that are consequent to the acceptor's possession of consignments in advance of his acceptance; and so far as the nature of the acceptance is concealed, the ostensible character of the paper will give it a fictitious security.

*Assimilated Notes and Acceptances.*—Notes and acceptances are often assimilated to the foregoing character to facilitate the procurement of loans. Two merchants will exchange notes, and offer each other's note at different banks, as business paper. Such notes are peculiarly hazardous by reason that the insolvency of either of the parties will usually produce the insolvency of the other. Acceptances are exchanged in the same way, and possess the same element of danger.

*Kiting.*—Sometimes a country merchant will draw on a merchant of New York, and obtain thereon a discount at some country bank. The draft will have some months to run before it will become payable; but when it is payable, the New York merchant will obtain the means of payment by drawing on the country merchant, payable some months thereafter, and getting a discount thereon in New York. Such transactions are termed "kiting." They are practised on notes as well as on drafts; and by persons residing in the same place as well as at distant places. When practised by persons who live at a distance from each other, the operation is usually very expensive, by incidental charges of exchange and collection. Bankers should suspect the solvency of parties who resort to expedients so commercially disreputable. The real character of the transactions is rarely avowed by the parties inculcated in the practices; but a vigilant banker will soon suspect the operations, and not touch them, unless the security can be made very ample.

*Dummies.*—A country produce dealer, or manufacturer, will, sometimes, place in New York an agent on whom to draw; or he may connect his operations with some person there of no capital, whom he will use as an acceptor. Such acceptances are no better than the note of the country dealer. They constitute, moreover, a hazardous class of paper, as you may rely somewhat on an assumed capital in the acceptors. Such methods are rarely practised except by persons who want to extend their operations beyond the limit to which a real consignee would restrict them. No prudential limit exists with the dummy acceptor, hence, the drawer is able to carry his operations to an extent unlimited, except by his own will, or his ability to find lenders; and men thus predisposed, and supplied with the requisite machinery, usually extend their speculations till they are overwhelmed in ruin.

*Void Notes and Drafts.*—Notes and drafts are often made to be sold at a usurious discount, by parties ostensibly solvent, but who are struggling to purchase a transient respite from bankruptcy, or to amend their fortunes by desperate enterprizes. Banks are, therefore, usually reluctant to discount paper offered by brokers and other persons who are known to practise usury; for such paper is, by existing laws, void as against makers and endorsers, in the hands of even an unconscious holder. In New York the defence of usury is said to be so discreditable, that few men will avail themselves of it. In the country, people seem less fastidious in this respect, and any debt which can certainly be avoided by means of usury, would be very apt to be uncollectable.

*Of Gains.*—But the avoidance of loss is only a negation of evil. To make gains is the proper business of a banker, and as the principal source of legitimate gain is lending money, the bank must lend to the extent of its ability—erring on the side of repletion, rather than of in-

anition; for a banker knows not how far his bank can bear extension till he tries;—hence, if timidity, indolence or apathy, limits his loans in advance of necessity, he may injure the community by unnecessarily withholding pecuniary assistance, and injure his stockholders by unnecessarily abridging their profits. A banker must not, however, extend his loans regardless of the future, but like a skilful mariner, he should see an approaching storm while it is an incipient breeze, and meanwhile carry all the sail that will not jeopard the safety of his charge:—governing his discounts, at all times more by the condition of his funds, and his own prospective resources, than by any reputed scarcity or abundance of money in other places and in other banks.

*When to be Moderate.*—If a banker can make reasonably good profits on his capital without much expansion, he may keep more restricted in his loans than a banker should who is less favorably circumstanced. Every banker must, however, remember that to be strong in funds and rich in profits, are natural incompatibilities; hence the more money a banker wishes to make, the poorer in funds he must consent to become. In banking operations, as in most other, wisdom lies in a medium between extremes; and if a banker can keep funds enough for practical safety, he had better forego excess of funds, and receive an equivalent in gains. Physicians say that the human body can bear excess of food better than deficiency. The excess can be discharged by cutaneous eruptions, as we see sometimes in over-fed infants; but deficiency of nourishment will not relieve itself: so in banking, a repletion of loans, if they are undoubtedly solvent, prompt and short, will soon of themselves work a relief to the bank; but a paucity of loans cannot, by any process of its own, cure the scant profits of the stockholders. Banks are rarely injured, therefore, by an excess of discounts. When banks fail, their disaster proceeds from the quality of their loans, not from the quantity.

*The kind of Paper that a Banker should prefer.*—No banker should keep his funds inactive when no better excuse exists therefor, than that the business he can obtain is not so lucrative as the business of some other place, or than his own business was at some other period. The legal rate of interest is so high, that the voluntary forbearance of its reception for even a short period, is ordinarily a greater pecuniary evil, than the reception of any common description of solvent loans. Any way, a banker who keeps his funds inactive, to await the offer of loans more lucrative than simply the interest of money, should be well assured that the future loans will be sufficiently lucrative to compensate for the forbearance. But no disadvantages of position must be deemed a sufficient apology for the assumption of hazardous loans. When no safe business offers, no business should be transacted by a banker who entertains a proper respect for himself, or a proper feeling for his stockholders. Gains may be impossible, but losses are measurably avoidable. If any location presents the alternative of no business, or great hazards, a banker is accountable for the choice which he may make between the two alternatives; and he is accountable no further.

*Selection of Loans founded on Incidental Circulation and Deposits.*—But ordinarily every banker is presented with more business

than he can assume, and he is enabled to select the more profitable and reject the less profitable. In speaking of the profits of banking we mean gains that proceed from some other source than the interest allowed by law for the use of the money. These gains are derived most largely from circulation and deposits; hence loans are advantageous to a bank, in proportion as they increase the circulation or deposits of the bank. Money is sometimes borrowed to pay debts to a neighboring bank; or to a person who keeps his money deposited in a neighboring bank. Such loans yield no profit to the lender except the interest on the loan, hence they are not so profitable as loans to borrowers who will take bank notes of the lending bank, and circulate them over the country in the purchase of agricultural products. While the notes remain in circulation, the bank is receiving interest on them from the borrower,—interest not for the loan of money, but for the loan by the bank of its promises to pay money when demanded. So on a loan made by a bank to one of its depositing customers, the bank receives interest on only its promise to pay the borrowed money when the borrower shall from time to time draw for the same. And when a deposit is thus drawn from a bank, the draft is not necessarily paid in money, but in bank notes which may obtain a circulation. This advantage is a usual attendant of the deposits of some customers, and makes their accounts doubly beneficial to a bank. Whether a depositor asks for more loans than his deposit account entitles him to receive, is a question whose solution depends on whether the bank can lend all its money to better depositing customers, or more profitably use it in loans for circulation. A banker should, however, estimate liberally the merits which pertain to a steady customer; not deciding on any proposed loan, by the amount of the proposer's deposit at the time of the proposal, but his antecedent deposits, which were doubtless made in reliance on the bank for a fair reciprocity of benefits. Competition for profitable customers exists among banks as eagerly, as competition among borrowers for bank loans; hence liberality to customers by a banker is as much a dictate of interest as of justice.

*Selection of Loans founded on the place of their Repayment.*—Notes and drafts discounted by country banks and payable in New York, Albany, Troy, and some other eastern places, are payable in a currency whose value is enhanced some half of one per cent. by the rate of exchange, which exists in favor of the east, and against the west. As country banks never allow any premium in the reception of such paper, the benefit of the exchange is a strong inducement to a country banker for preferring loans thus payable, to loans payable at his own counter. Borrowers will often take advantage of this predilection, and make notes payable artificially at New York, as a means of obtaining a loan of a country banker. Notes thus made are rarely paid at maturity, hence so far as a banker relies on their payment, and founds his business calculations thereon, they are hurtful. To the extent that he colludes with the maker and supplies him with funds by which any such note can be paid at New York, at a loss to the maker of the difference in the rate of exchange, the transaction is unlawful; and banking is not exempt from the ordinary fatality which ever in a long course of

business, makes honesty the best policy. To gain unlawfully must also be a poor recommendation for a banker, with any thoughtful stockholder; for if a man will collude to make dishonest gains for his stockholders, what security can the stockholders possess that he will not collude against them, to make dishonest gains for himself. A country banker may properly discount a note payable in New York when the maker's business will make New York the most convenient place of payment; though the borrower's residence may be in the country:—such is often the case with drovers, lumber men and some manufacturers. Transactions of this circuitous nature must, however, be spontaneous on the part of the borrower; for a note is usurious if, in addition to the receipt of legal interest, the banker superadds, as a condition of the loan, that it must be paid at a distant city, and consequently in a currency more valuable than that the lender received. But when such loans are legal, and possess the best commercial character for punctuality and security, they are not always so advantageous to a country bank as notes payable at the country bank, and connected with the circulation of bank notes or with deposits. The force of this remark can perhaps be better seen in what follows:—

*Selection of Loans founded on the Sale of Exchange.*—Banks can usually make as many loans as they desire to borrowers who will use the loan in purchasing from the bank some draft on New York or other eastern city, whereby the bank will obtain a premium on the sale of the draft, in addition to the interest on the loan. The operation becomes peculiarly advantageous to the bank when the loan is itself payable in New York, for while the borrower pays in such a transaction, a half of one per cent. to the bank for a bank draft on New York, he subsequently repays in New York the borrowed money without receiving any return premium from the bank. But how lucrative soever such a transaction seems, banks can rarely transact profitably much of such business. Should the entire capital of a safety fund bank of three hundred thousand dollars be employed in discounting drafts on New York payable at three months from the time of discount, and should the bank pay therefor sight drafts on New York, charging for them a premium of a half of one per cent. the bank could not pay its stockholders above six per cent. the year in bank dividends. To pay that much the bank would have to earn nine per cent. the year on its capital, as follows:

Dividend of six per cent. the year on \$300,000 is	\$18,000 00
Half per cent. to be paid to the safety fund, . . .	1,500 00
Salaries, taxes, stationery and other contingencies during the year, at the lowest calculation for such a capital, . . .	7,500 00

Making a total which is equal to 9 per ct. on \$300,000 \$27,000 00  
 Being just what such a bank would earn during a year, if it transacted no other business than the discount of drafts as above supposed. The calculation shows that the sale of exchange must be deferred to business which brings with it circulation or deposits. They are the only sources of large profits, as well as the great instruments of legitimate

banking. Brokers can deal in exchange as well as banks, and banks should make loans predicated on the sale of exchange, for only so much as can be thus sold without impairing the ability of the bank to lend money for circulation, &c. The ability of a bank to lend for circulation is impaired by the sale of exchange, because such sales take the funds with which country banks redeem their bank notes; and no banker is willing to issue bank notes for circulation except in proportion to the amount which he possesses of redeeming funds.

*Selection of Loans founded on a Commission for their Collection.*—Banks often make loans that are payable at places, where the currency that will be received in payment, is worth less to the lending bank than a payment at its own counter. But banks turn to a profit this disadvantage, by charging, in addition to the interest, a commission for collecting payment of the loans. Notes payable as above are given extensively by country merchants to the persons of whom they purchase goods, and the commission charged by banks for collecting the payment of such notes, varies according to distance, and the facilities which exist for making the collections; but whether a bank can make money by such collections, depends on the arrangements it is able to make: for instance, a bank at Buffalo may receive one per cent. for collecting a note payable at Utica, while a bank at Uica may receive one per cent. for collecting a note payable at Buffalo; hence, if the two banks can exchange this paper with each other, each bank will be paid at its own counter, and gain the one per cent., without any inconvenience except the trouble of corresponding with each other, and the expense of postage. Every good banker endeavors to acquire correspondents of the character indicated, for in banking as in other business, competition keeps down profits; so that much gain is impracticable except as a result of good management.

*Selection of Loans founded on the Time they are to Endure.*—As every loan is usually attended with some advantage to the bank, in the ways we have explained, beyond the interest paid by the borrower, the sooner the loan is to be repaid to the bank, the more frequently will the bank be able to reloan the money, and obtain a repetition of the incidental advantages. Loans, however, that are not longer to run than sixty days must be discounted at the rate of six per cent., the year interest, instead of seven, by all safety fund banks; hence, when a safety fund banker makes such loans, the incidental benefits must be sufficient to countervail this loss of interest, or longer paper will be more profitable.

*Time Estimated with reference to the Prospective Wants of a Bank.*—As country banks are subject every spring and fall to a revulsion of their bank notes, every judicious banker will endeavor to so select the loans which he makes during a year, that large amounts of them will become payable at the precise periods of the spring and fall when funds will be most needed. This is imitating the conduct of Pharaoh who during the years of plenty accumulated provisions for the periods of apprehended famine. Many months of every year are months of plenty with every well conducted bank. The paper which is selected for the future contingency, will be useful in proportion to its reliability, and paper payable in New York or other eastern cities will be more useful



than any other. No rules of banking are more practically valuable than the foregoing.

*Time with reference to Panics and Pressures.*—As banking is liable to panics and pressures which may arise without being preceded by any long premonitory symptoms, a banker must invest his funds in short loans which measurably accomplish the feat that is proverbially impossible, “to have a cake and eat it at the same time :”—that is, by means of short loans, the bank keeps its funds always available within a short period, and yet keeps them always loaned out on interest. The banks of large cities are able to make loans payable on demand, or on a few days notice; while country banks possess no such opportunities; but are able usually to deposit their spare funds in some banks of Albany or New York, subject to a repayment on demand, or on short notice; and in the mean time to receive on the deposit an interest of some four or five per cent. Such arrangements are peculiarly beneficial to country banks, as every country bank is compelled, by existing laws, to keep in New York or Albany an agency for the redemption of its bank notes; and hence must keep funds in one of those cities. Experience, however, has painfully demonstrated, in a recent bank failure, that the convenience of an interest paying depository is not exempt from danger. The legislature in compelling country banks to incur the danger, has looked solely to the convenience of the public, and possibly estimated too lightly or disregarded the hazard to the banks.

*A Banker should acquaint himself with the Pecuniary Circumstances of his Dealers.*—What is every person's business is proverbially nobody's; hence the safety of banks depends less on boards of directors, than on some single person to whom the bank is specially confided, and to whom we have alluded under the name of *the banker*. He is to be always present, and always responsible in his feelings and in public estimation, for the prosperity of the bank; and for these services he ought to be well compensated, pecuniarily, so as to stimulate his faculties to their best efforts. We mistake human nature when we expect great efforts from any man, and supply no proper motive therefor. The banker we have described, will acquaint himself with the pecuniary circumstances of the dealers of his bank, and of their endorsers, and of all persons, who, though not present debtors or endorsers, may probably become such. Persons enough will hasten to inform a banker when any of his debtors become declared insolvents; but such shutting of the stable door after the horse is stolen, is not the information that is useful to a banker. After insolvency is admitted, the resort to banks is ended. The information which is useful to a banker must be made while the person in question retains a reputation for solvency; and the information will be useful in proportion as “it scents any coming mischief in the far-off gale.” To acquire information, some country bankers obtain extracts from the assessment rolls of the towns within the circuit of their dealings; such extracts including only the men of reliable property. Other bankers keep a book composed by themselves, of names accumulated, from day to day, of persons whose pecuniary position may interest their bank. Such a book may assume the form of an extensive alphabet, and the persons therein may be registered under the name of

the town in which they reside. By this arrangement, when a banker is brought in contact with a person who resides, say, in Oswego, he can, by looking in his book under the head of Oswego, see the names of his debtors, and obtain such information in relation to them, as the person from Oswego can supply; and which information he can record against each name respectively. The information thus acquired may be revised by other informants, as opportunities may offer; and the banker must give to the whole such an interpretation as his judgment shall dictate. The record will be improved by noting the name of the person from whom the information is received, and the date of its reception; for the information will be reliable in proportion somewhat to its recentness, and to the character of the informant. In large cities where discounts are rarely made except to persons of the city, who are personally known to some of the directors, such a record may be useless; but in country banking the borrowers and their endorsers are generally residents of remote places, and unknown, personally, in the locality of the bank. A country banker who should insist on a personal acquaintance with his dealers and their endorsers, would find his business restricted to a circle too small for the employment of his capital. In vain will such a banker insist that he ought not to make loans to persons of whom he possesses no knowledge, the answer will be that he should acquire the knowledge. It is indispensable to his bank. He is bound to know a sufficient number of persons to enable his bank to employ its capital advantageously. Every note, therefore, that he rejects for want of knowledge, is ostensibly a slight reproach on him, in cases where he has not a sufficiency of known borrowers; while every note that he rejects or accepts by means of his knowledge of the parties, is a tribute to his industry and vigilance.

*A Banker should, as far as is practicable, know the Signatures of his Dealers.*—The preceding remarks will show why country banks are specially liable to loss from forgeries. Moreover, many of the makers and endorsers who deal with country banks write poorly, and their signatures bear but little internal evidence of genuineness, even when you are partially acquainted with the parties; for the same person will write differently at different times, and, especially, with different pens and different qualities of ink; and he varies these continually. Still the greater the danger, the greater is the caution which the banker must exercise. He must bring to the difficulty all the scrutiny of which the case is susceptible, or he will not stand excused from consequent losses. A comparison of any proffered signature with one that is genuine, though encumbered with difficulties as above explained, is a guide that should not be neglected; and it is often the best that can be resorted to. Some bankers, therefore, keep a book in which every person who frequents the bank inserts his name. The signatures should be placed alphabetically to facilitate a future reference to them. The endorsers may never visit the bank; but when a note is paid, the names of the endorsers may, with the consent of the maker, be cut from the note, and pasted into the book in their proper order. In no very long time, a mass of autographs may be thus collected. Some names on notes may not be deserving of such preservation; and in this particular, as in all others, the banker must exercise his judgment.

*A Banker should know the Residence of Endorsers.*—The law in relation to endorsers renders them liable only on due notice of the non-payment of the endorsed note. This avenue of loss is felt but seldom in large cities; but in the country it produces constant danger. A country banker, therefore, must know where endorsers reside, and usually the information can be obtained most readily when each note is discounted, and from the person who brings it for discount. The information can be written on the note under the name of the endorser, and it will serve as a direction to the notary public, should the note be protested for non-payment. The laws of our State required, formerly, that the notice of non-payment should be forwarded by mail to the post office nearest to the residence of the endorser. This imposed on the banker a knowledge of postal locations that added much to the difficulty of his position. The law has since meliorated the difficulty by rendering a notice sufficient if directed to the town in which an endorser resides. When a banker desires to avail himself of this law, he had better comply literally with its conditions, and direct the notice "to the town of A,"—thus showing that your letter is not sent to A, but to the town of A;—leaving the particular post office in the town, (some towns have more than one,) to the discretion of the post master, for whose errors you are not accountable:—for instance, two or more post offices are located in the town of Whitestown, and one of them is at a place called Whitestown; hence, if you direct a notice "Whitestown," you designate a post office, and it may not be the one which the endorser frequents. Such a notice would probably be deemed defective, and the debt would not be recoverable against an endorser thus notified; but should you direct "to the town of Whitestown," you designate no post office, and as you have performed all that the law requires, the endorser will be holden for the debt.

*A Banker must know the Pecuniary Position of his Bank.*—As a banker will lend to the extent of his ability, that he may make for his bank, all the gains in his power, he must be well acquainted with the present pecuniary means and liabilities of his bank. He can keep on his table a summary showing the precise amount of his funds, and where they are situated, and of what they are composed; also, an aggregate of his various liabilities. Such a summary when corrected daily, or more frequently if necessary, will constitute a chart by which he will be able to judge whether he can lend, or whether he must retrench existing loans. The funds that will be adequate to any given amount of liability, a banker must learn by experience, embarrassed as he will be by a want of uniformity in the results of his experience, at different periods. Every bank must be liable, momentarily, to demands for payment of its bank notes and deposits, beyond its present funds. Practically, however, if a banker has funds enough, day by day, to meet the requirements of the day, he has funds enough. "Sufficient for the day is the evil thereof," is a proverb peculiarly applicable to banking.

*Prospective Resources.*—But a banker must not be satisfied by knowing that his funds of to-day will be sufficient for the wants of the day. He must possess a reasonable assurance that the same will be his position "to-morrow, and to-morrow, to the end of

time." To gain this assurance, he ought to keep also before him one or more lists in detail of his prospective resources; showing what notes and acceptances will be payable to the bank daily for some weeks or months ahead, and where they are payable. With such lists, and a knowledge of the reliability of the paper thus going onward to maturity, he will be able to judge whether his prospective resources will need the aid of his existing unemployed funds; or whether he may loan them, and even extend his liabilities in anticipation of a prospective surplusage of resources.

*Provision for the Future.*—By means of such lists as we have just described, should a banker discover that his existing resources will be small during, say, the month of June, he can aid the defect by discounting in the preceding May, April or March, paper that will mature in June. By thus regulating, prospectively, his future resources, he can be always provided with funds. And that a banker may, at all times, be master of his resources, he should never promise prospective loans, or make loans with any promise of their renewal. The more he keeps uncommitted, the better will he be able to accommodate himself to future exigencies. Banking is subject to sufficient uncertainties, without unnecessarily aggravating them by any prospective agreements. A banker may be unable to fulfil such pledges, and be thus compelled to falsify his promises; or he may be able to fulfil them only at a sacrifice of the interests of his bank, and thus be placed in the unwholesome dilemma of injuring his personal character, or of preventing the injury by only a sacrifice of the interests of his bank.

*General Supervision.*—A banker is compelled to employ officers to whom he must entrust his vaults and their contents. Robberies are often committed by persons thus entrusted, and some such robberies have remained long concealed. The banker cannot be responsible for all such occurrences, still vigilance can accomplish much in the way of security against mischances, and the banker is responsible for the exercise of all practicable vigilance. Robberies and frauds possess usually some discoverable concomitants. No man plunders to accumulate property that is not to be used. Its use therefore, which can rarely be wholly concealed, is a clue which a vigilant eye can trace to the plunderer. Nearly every plunderer is a prodigal, and may thereby be detected;—nearly every plunderer is needy, and should therefore be suspected. The banker should know human nature, and be able to trace effects to their causes; and to deduce effects from causes. To this extent he is answerable for the safety of his bank. The sentinel whose post happens to be surprised by an enemy, may escape punishment as a criminal, but he can rarely gain commendation for vigilance, or escape censure for carelessness.

*Over Drafts.*—To permit over drafts is to make loans without endorsers, and without the payment of interest. It is moreover, to empower a dealer to control your resources. No mode of lending money can be more inconsistent with all safe banking; and it should never be permitted. Still every man who keeps a bank account can draw checks for an amount exceeding his balance in bank; nor can the banker personally supervise the payment of checks. A vigilant banker will, how-

ever, provide vigilant subordinate officers:—"the eye of the master maketh diligent," says the scriptures. An intelligent and careful teller will soon learn whom he must watch; but after all precautions an over draft may be perpetrated, and whether by accident or design, the book-keeper should forthwith report to the banker the occurrence, and he must act thereon as his judgment shall deem proper.

*Enforcement of Payments.*—No system of banking can escape the casualty of doubtful debts. Usually the most favorable time to coerce payments is when they first become payable. Then the debtor has expected to pay, and if he is then in default, no certain dependence can be made on his subsequent promises. He is also usually less offended by a legal enforcement of payments when they are promptly enforced, and when he knows the creditor is disappointed by the default, than he is after the default has been tacitly acquiesced in by a long forbearance of coercive measures. Additional security, when necessary, can also be more readily obtained at the time of the default, than it can after the debtor is become reconciled by time to his dishonorable position. His credit is better now than it will be subsequently, and he can more readily now than subsequently obtain responsible endorsers. In relation to the extension of time on receiving additional security on a weak debt, any extension that is productive of security is a less banking evil than insecurity; just as disease, how severe soever and protracted, is better when it results in health, than death.

*Adherence to Good Principles.*—A banker will be often subjected to importunity by persons who will desire a deviation from the usual modes of banking. They will propose a relaxation of good rules, and allege therefor some pressing emergency; but if the relaxation involves any insecurity, any violation of law, or of official duty, the banker should never submit even when the result may promise unusual lucrativeness to his bank. While a banker adheres with regularity to known forms of business and settled principles, Providence is guarantee for his success; but when he deviates from these, Providence is almost equally a guarantee of disaster both personal and official.

*A Banker should beware of Persuasion, and of undue Pertinacity in Applicants.*—Banking is a business and should be reciprocally beneficial to the borrower and the lender. When a borrower's business cannot yield the requisite reciprocity of benefit, he will often attempt to mend the defect by pertinacity of application, and by persuasions addressed to the directors of a bank personally, as well as to the banker; and by servility and sycophancy. Such conduct is a strong symptom of some latent defect in the applicant's pecuniary position, and the appliances should strengthen a banker in his refusal of loans, rather than facilitate their acquisition. Loans thus obtained rarely result favorably to the lender.

*A Banker should beware of Speculators.*—No man is safe when engaged in a speculation, especially when the price of the article that he purchases is above the usual cost of its production. The speculator's intellect soon loses its control over him, and he will be controlled by his feelings, and they are unnaturally excited. He becomes monomaniac in the particular concern with which he is engaged. He will

increase his purchases beyond all moderation, and at prices which he himself, when he commenced his purchases, would have deemed ruinous. Many banks are destroyed by such speculators. A bank will loan to them till its safety seems to require that the speculation must be upheld against a falling market; and the effort is made till the continued decline in prices ruins both speculators and sustaining bank.

*A Banker should keep independent of his Debtors.*—When a debtor arrives at a certain magnitude of indebtedness, he becomes the master of his creditor, who is somewhat in the position of Jonah when swallowed by the whale. The debtor can say to a bank thus circumstanced, that to stop discounting for him will ruin him, and that his ruin will involve a loss of the existing debt. No prudent banker will be placed in such a position, but should any banker lapse into so sad an error, he will rarely mend his position by yielding to the proposed necessity for further loans. He had better brave the existing evil than yield to an argument which if already too potent to be disregarded, will acquire additional strength by every further discount, and render his inevitable fall more disastrous to his stockholders, and more disreputable to himself.

*Economy.*—We will close our summary of a banker's duties with a few remarks on his contingent expenses. The more a banker can reduce their amount, the more easily will he make reasonable dividends of profit among his stockholders, without an undue expansion of loans and consequent anxiety to himself. The income of a bank is an aggregate of only petty accumulations. The unnecessary expenditure of every hundred dollars the year, will nullify the interest on four ninety day loans of fifteen hundred dollars each—loans often withheld from meritorious claimants. The economy of which we speak is not any unjust abridgment of proper remunerative salaries to faithful officers and servants, who should, however, labor diligently and perseveringly in their vocations, as men labor in other employments; so that the bank may economise in the number of its said agents, instead of economising in the magnitude of their salaries. A hundred dollars or a thousand, when contrasted with the capital of a bank, may seem a small matter, and probably bank expenditures are often incurred under such a contrast; but the true contrast lies between the expenditure and the nett per centage of a banker's gains. A bank whose nett income will not exceed the legal rate of interest, possesses no fund from which to squander. And banks often expend an unduly large part of their capital in architecture to ornament the city of their location, or to rival some neighboring institution whose extravagance ought to be shunned, not followed. No person has yet shown why banks should be built like palaces, while the owners of the banks are to a good extent poor, and live humbly. The custom is perhaps founded on the delusion of deeming a great capital identical with great wealth.

When several men for any purposes of gain, unite their several small capitals, they may well need a larger building and more agents than each man would require were he unassociated; but that the association can afford an organization increased in splendor as much as in magnitude, is a fallacy somewhat analogous to the blunder of the Irishman, who hearing that his friend intended to walk forty miles during a

day, said that he would walk with him, and then they could walk eighty miles.

### PART III—THE MAN.

Having completed our summary of banking, and the duties consequent thereon of a banker, we will subjoin a few suggestions personal to the man who is to perform the duties.

*He should be wary of recommendations.*—When solicited by a neighbor or a friend, few men possess vigour enough, or conscientiousness enough to refuse a recommendation, or to state therein all they suspect or apprehend. They will studiously endeavor not to make themselves pecuniarily responsible by any palpable misrepresentation, hence they will so qualify the recommendation that it will admit of a construction consistent with truth; but the qualification will be so enigmatical or subtle, that the banker will not interpret it as the recommender will show subsequently it ought to have been interpreted. Besides, the man who merely recommends a loan, acts under circumstances that are much less favorable to caution, than the man who is to lend. When we are required to make a loan, our organization presents the danger with a vividness, that is not excited by the act of recommending. To speculatively believe that we will suffer the extraction of a tooth, is a wholly different matter from setting down and submitting to the operation. Suicide would be far more common than it is, if a man could feel when the act was to be performed; as he feels when he resolves on performing it. This preservative process of nature no banker should disregard by substituting any man's recommendation, for the scrutiny of his own judgment; though he may well give to recommendations all the respect which his knowledge of the recommender may properly deserve.

*He should be governed by his own judgment.*—By acting according to the dictates of his own judgment a man strengthens his own judgment as he proceeds; while a man who subordinates his judgment to other men's is continually debilitating his own. Nothing also is more fallacious than the principle on which we ordinarily defer to the decision of a multitude of counsellors. If fifty men pull together at a cable, the pull will combine the strength of one man multiplied by fifty; but if fifty men deliberate on any subject, the result is not the wisdom of one man multiplied by fifty, but at most the wisdom of the wisest man of the assemblage,—just as fifty men when they look at any object can see only what can be seen by the sharpest single vision of the group:—they cannot combine their vision and make thereof a lens as powerful as the sight of one man multiplied by fifty. A banker may, therefore, well resort to other men for information, but he may differ from them all and still be right; any way, if he perform the dictates of his own judgment he performs all that duty requires; if he act otherwise, he performs less than his duty. Let the counsel of your heart stand, says the Bible; and by way of encouragement, it adds, that a man can see more of what concerns himself, than seven watchmen on a high tower.

*Finally.*—As virtue's strongest guarantee is an exemption from all motive to commit evil, a banker must avoid all engagements that may



make him needy. If he wants to be *more* than a banker, he should cease from being a banker. Should he discover in himself a growing tendency to irritability, which his position is apt to engender, let him resist it as injurious to his bank and his peace; and should he find himself popular, let him examine whether it proceeds from the due discharge of his duties. A country banker was some few years ago dismissed from a bank which he had almost ruined, and was immediately tendered an honorary public dinner by the citizens of his village, into whose favor his misdeeds had unwisely ingratiated him. The service of massive plate that was given to a president of the late United States Bank was in reward of compliances which soon after involved in disaster every commercial interest of our country. Could we trace actions to their source, these mistakes of popular gratitude would never occur. The moroseness that we abhor proceeds often from a sensitiveness that is annoyed at being unable to oblige; while the amiability that is applauded, proceeds from an imbecility that knows not how to refuse.

A banker should possess a sufficiency of legal knowledge to make him suspect what may be defects in proffered securities, so as to submit his doubts to authorized counsellors. He must, in all things be eminently practical. Every man can tell an obviously insufficient security, and an obviously abundant security; but neither of these constitute any large portion of the loans that are offered to a banker. Security practically sufficient for the occasion is all that a banker can obtain for the greater number of the loans he must make. If he must err in his judgment of securities, he had better reject fifty good loans than make one bad debt; but he must endeavor not to err on the extreme of caution or the extreme of temerity; and his tact in these particulars will, more than in any other, constitute the criterion of his merits as a banker.

### BANK STATISTICS.

*Branch of the Bank of Tennessee at Rogersville, 17 May, 1849.*

#### RESOURCES.

Bills and Notes discounted, . . . . .	\$335,190 25
Appropriation to Improvement of Rivers, . . . . .	17,985 37
Real Estate, . . . . .	15,752 66
Due from Banks, . . . . .	17,863 66
Expense Account, . . . . .	1,429 95
Notes of other Banks and Checks, . . . . .	100,606 54
Gold and Silver on hand, . . . . .	110,013 09
	<hr/>
	\$598,841 52

#### LIABILITIES.

Capital Stock from Parent Bank at Nashville, . . . . .	\$254,203 00
Circulation, . . . . .	233,050 00
Treasurer of Tennessee, . . . . .	529 88
Discount, Interests and Exchange, . . . . .	7,565 70
Damages on Bills of Exchange, . . . . .	530 10
Due to Banks, . . . . .	79,857 23
Individual Depositors, . . . . .	23,100 61
	<hr/>
Total Liabilities, . . . . .	\$598,841 52

## CONNECTICUT.

*Comparative View of the Banks of Connecticut.*

LIABILITIES.	April, 1846.	April, 1847.	April, 1848.	April, 1849.
Circulation, . . . . .	\$4,565,947	\$4,437,631	\$4,891,265	\$4,511,571
Individual Deposits, . . . .	1,813,821	1,751,655	1,994,590	2,100,272
Capital, . . . . .	8,475,630	8,605,742	8,726,381	8,985,916
Bank Balances, . . . . .	362,118	245,817	299,398	364,966
Surplus Fund, . . . . .	427,671	473,424	595,908	684,316
Profits undivided, . . . . .	169,346	231,426	261,326	260,430
Dividends unpaid, . . . . .	78,152	31,267	29,132	33,220
Miscellaneous, . . . . .	.....	7,810	10,830	6,311
<b>Total Liabilities, . . .</b>	<b>\$15,892,685</b>	<b>\$15,784,772</b>	<b>\$16,808,929</b>	<b>\$16,947,002</b>
RESOURCES.	April, 1846.	April, 1847.	April, 1848.	April, 1849.
Loans, . . . . .	\$13,032,600	\$12,781,857	\$13,424,654	\$13,740,591
Bank Balances, . . . . .	1,036,552	1,250,411	1,301,635	1,087,757
Real Estate, . . . . .	366,956	349,045	329,407	332,751
Specie on hand, . . . . .	481,367	462,165	517,700	575,676
Bank Notes, . . . . .	276,758	227,481	227,603	196,273
Due from Brokers, . . . . .	380,342	332,542	390,544	385,860
Stocks, . . . . .	315,210	301,902	505,978	522,010
Miscellaneous, . . . . .	2,998	79,368	111,308	106,084
<b>Total Resources, . . .</b>	<b>\$15,892,685</b>	<b>\$15,784,772</b>	<b>\$16,808,929</b>	<b>\$16,947,002</b>

There has been an increase of Capital Stock since April, 1846, of \$510,286, among the banks of the whole State, viz:

For the year ending April, 1847, . . . . .	\$130,112	
“ “ “ 1848, . . . . .	120,639	
“ “ “ 1849, . . . . .	259,535	510,286

Since April, 1848, the following banks have increased their capital stock, viz:

Hartford—Phenix Bank, . . . . .	\$2,600
“ Farmers and Mechanics Bank, . . . .	4,600
New Haven—New Haven County Bank, . . . .	700
Norwich—Merchants' Bank, . . . . .	34,530
“ Thames Bank, . . . . .	15,000
“ Connecticut Bank, . . . . .	52,100
Meriden—Meriden Bank, . . . . .	5,000
Tolland—Tolland County Bank, . . . . .	600
Falls Village—Iron Bank, . . . . .	31,620
East Haddam—East Haddam Bank, . . . . .	5,080
	<b>\$151,830</b>

And the following new banks created:

Saybrook—Saybrook Bank, . . . . .	23,650
Waterbury—Waterbury Bank, . . . . .	47,785
Birmingham—Manufacturers Bank, . . . . .	36,270

**Total increase of Bank Capital since April, 1848, . . . \$259,535**

Our space in this No. will not permit the insertion of the Annual Report for 1849 of the Bank Commissioners of Connecticut. It will probably appear in our July No. Since the publication of the report, the Winsted Bank has commenced operations with part of its capital paid in.

## THE UNITED STATES MINT

## AT PHILADELPHIA.

Illustrated by a fine steel engraving of the Mint, executed by the medal-ruling machine, under the direction of Mr. J. Saxton, and designed as a frontispiece to the third volume of the Bankers' Magazine.

The United States Mint was established in 1791, and by several successive acts of congress, has been continued at Philadelphia. In 1829, the present building (see engraving) was commenced in Chesnut street, near Broad street. It is a splendid building, faced with marble, and presents a front of 122 feet, divided into a portico 62 feet long, and two wings each of 30 feet. The building is of the Ionic order, taken from the celebrated Grecian temple on the river Ilissus, near Athens.

Our present information is derived entirely from two valuable works, published under the authority of the officers of the mint, entitled 1st, A Brief Account of the Collection of Coins belonging to the Mint of the United States, more particularly of the Antique Specimens. By William E. Dubois, Assistant Assayer of the Mint. Philadelphia, 1846. 2d, A Manual of Gold and Silver Coins of all Nations—showing their History, Legal Basis, Actual Weight, Fineness, and Value: with Treatises on Bullion and Plate, Counterfeit Coins, Specific Gravity of Precious Metals, and Statistics of the Coinage throughout the World. By J. R. Eckfeldt and William E. Dubois, one vol. 4to—illustrated with engravings of nearly 300 coins. Philadelphia, 1842.

The mint at Philadelphia was the only one in operation, until 1838. The branches at New Orleans, Charlotte, N. C. and Dahlonega, Ga. then commenced operations. In addition to the volumes now mentioned, there is a beautiful volume with several hundred illustrations, from the London press, entitled "History of Coins." From this last work, our readers will find copious and interesting extracts in the early part of our second volume.

Our readers will find full statements of the annual coinage of the mint and branches, on page 93 of our present volume.

Bullion is brought to the mint in every form; amalgamations from the ore, bars, plate, jewelry, and foreign coin. All these present a great variety as to quality. Some of the metal will be nearly pure; other portions will be of lower grade, and in every proportion, down to two-thirds fine, or less. Part will also be ductile, and fit to work; part will be brittle, and will require a process of toughening. Once more, a deposit will often consist of the two metals, gold and silver, in a mixed mass, requiring to be parted by chemical agents. To ascertain all these points is the business of the assayer.

To bring this heterogeneous mass into good malleable metal, and to separate the gold from the silver, are not strictly mint operations. In some countries, these preliminary processes have to be performed by private refiners. At the Mint of the United States, a department is provided for the parting, refining, and standarding of the metals, and casting them into ingots or small bars, suitable for the manufacture of coin.

These bars are about twelve inches long, half an inch thick, and from one to one and a half inches in width, according as they are to be used for different sizes of coin. Before they can be wrought, their fineness is tested by an assay; and those which are found better or worse than the legal limits, are sent back to be melted and cast over again, at the proper rate.

The coining presses are of various sizes, to suit the different denominations of coin; those for the dollar and the half dime, compared together, are as a ponderous machine by the side of a plaything. The usual speed of striking is sixty pieces per minute for the dollar and half-dollar, seventy-five for the quarter-dollar, ninety for the dime and half-dime.

The mint is now manned by about sixty officers, clerks, and workmen. By the addition of ten or twelve men of the latter class it would be competent to a coinage of six millions of dollars annually, half in gold and half in silver, with a due proportion of small coins, and at an expense to the government of \$70,000. But if the institution were put to its utmost capacity, and with a still further increase of hands, it is estimated that it would accomplish a coinage of twelve millions annually, the cost of which would be \$106,000.

The suite of apartments in the mint, appropriated to the exhibition of coins, ores, and national medals, occupies the front of the building in the second story, and measures sixteen feet wide by fifty-four feet long. Originally there were three rooms, connecting with each other by folding doors; the removal of these has made one large saloon, with recesses, very commodious and suitable for the use to which it is applied. The eastern and western rooms are of uniform size and construction; the central one has a dome and skylight, supported by four columns; with a corresponding window in its floor (protected by a railing) to light the hall of entrance below.

The ancient coins are displayed in eight cases, mitred in pairs, and placed erect against the walls in the wide doorways and the middle room. The modern coins are variously arranged; part (including all those of the United States) being in a nearly level case which surrounds the railing above mentioned; and part being in upright cases, disposed along the walls of the middle and west rooms. The ores, minerals, and metallic alloys, are placed in the west room; in the eastern are shown the national and other medals, and the fine beams used for the adjustment of weights. All the cases are fronted with glass, and besides allowing an inspection of every specimen, present an agreeable coup d'œil on entering the room, especially by the middle door. At the present time, the aggregate of specimens of old coins is, in gold, 605; silver, 2047; bilon, (a mixture containing silver, but less than half,) 324; brass and copper, 822; platina, 4; in all 3802.—Compared with the numismatic cabinets of Europe, our collection is indeed but a dwarf in size, and may stand second, in that respect.

The above particulars, if not satisfactory to the reader, will at least aid him in understanding the routine, whenever he may please to visit the mint.

Visitors are admitted in prescribed hours, if attended by an officer or conductor of the institution.

## BANK ITEMS.

**NORTH CAROLINA.**—The Bank of Fayetteville, N. C., has been organized by the election of John D. Starr, Esq., as President, (salary \$500,) and William G. Broadfoot, Esq., as cashier, (salary \$1000,) the officers are preparing to put the Bank in operation at an early day. The amount of capital subscribed is \$140,000.

**MASSACHUSETTS.**—At a meeting of the stockholders of the Milford Bank, Mass., on the 21st May, Lee Claflin, Esq., was elected President.

**BANK OF COMMERCE, NEW YORK.**—A change in the policy of this Institution having taken place, we annex its statement for May 14th:

CAPITAL STOCK.	
24,162 full shares, . . . . .	2,416,200
25,338 scrip do. . . . .	1,033,520
50,000 shares, . . . . .	\$ 3,449,720
Profits on hand, . . . . .	284,982
Deposites, . . . . .	2,047,564
Circulating notes from the Comptroller, . . . . .	190,000
Balance due to City Banks, . . . . .	85,767
Do. do. Distant Banks, . . . . .	649,286
Dividends unpaid, . . . . .	4,442
	<hr/>
	\$ 6,711,711
Loans and discounts, . . . . .	4,210,022
Stocks owned by the Bank, . . . . .	806,691
Banking House, . . . . .	110,000
Notes of other Banks, . . . . .	801,974
Cash, { Do. of Bank of Commerce, . . . . .	39,905
Specie, . . . . .	681,719
Miscellaneous, . . . . .	61,500
	<hr/>
	\$ 6,711,711

The Bank commenced its operations April 27, 1839. The total of bad debts from that time to this is \$63,764.

No bad debts were made during the year 1848.

A dividend of 4 per cent. was made for the half-year ending January last—being the 19th dividend since the commencement of business.

Owing to the existing provisions of the Constitution of the State, rendering stockholders liable individually for the debts of banks of issue, the Bank of Commerce, at a late meeting of shareholders, adopted the following:

Whereas, it is manifest that if this Bank shall not, in fact, after the 1st of January, 1850, issue notes, or any kind of paper credits to circulate as money, no individual responsibility will be incurred by the shareholders—therefore

*Resolved*, That the Bank of Commerce in New York will issue no notes after the 31st of October next, nor any kind of paper credits to circulate as money, and the President and Cashier are directed to carry this resolution into effect.

**PHILADELPHIA BANK DIVIDENDS, MAY, 1849.**—The following dividends were declared in May.

	Capital.	Rate.	Amount.
Philadelphia Bank, . . . . .	\$ 1,150,000	7	\$ 80,500
Farmers and Mechanics Bank, . . . . .	1,250,000	4	50,000
Commercial Bank, . . . . .	1,000,000	4	40,000
Mechanics Bank, . . . . .	800,000	5	40,000
Western Bank, . . . . .	500,000	5	25,000
Manufacturers and Mechanics Bank, . . . . .	300,000	4	12,000
Southwark Bank, . . . . .	250,000	5	12,500
Kensington Bank, . . . . .	250,000	5	12,500
Bank of Penn Township, . . . . .	225,000	5	11,250
Bank of Commerce, . . . . .	250,000	3	7,500
Bank of the Northern Liberties, . . . . .	350,000	5	17,500

## Notes on the Money Market.

NEW YORK, 1 JUNE, 1849.

The rates for money have been essentially reduced within the last thirty days. We learn that the banks of Boston, New York, Philadelphia and Baltimore, are doing nearly all the good paper that offers; and that loans are readily made, on call, at 6 a 7 per cent. in the street. The foreign exchanges have become more equalized, and the importations of specie from England are now small. Bills on London per the last Steamer, (30 May,) were sold at 1,08½ a 1,09. Paris, 5,27½ a 5,25.

The abundance of money in London has induced a more active demand for, and enhanced prices of American Stocks. The quotations for the last month were as follows:

	May 11.	May 18.
U. S. six per cent loan, 1868, . . . . .	106½-107	108 a 109
New York five per cents., . . . . .	94 a 95	94 a 95
Pennsylvania five per cents., . . . . .	78 a 79	79 a 80
Ohio six per cent., 1860, . . . . .	97 a 98	98 a 99
Massachusetts, five per cent., sterling, . . . . .	101½	101½
South Carolina five per cent., 1868, . . . . .	88 a 90	89, 90
Louisiana five per cent. (Union Bank) . . . . .	87	.....
Maryland five per cent. (sterling,) . . . . .	86	86 a 97
Alabama five per cent. (sterling,) . . . . .	60, 62	61 a 62
Virginia five per cent. 1854, . . . . .	80, 82	83

In our own market, U. S. six per cent. 1868, has reached 115. Maryland sixes, 102.

It will be seen, by reference to another page, that the Bank of Commerce, in this city, has determined to cease their issues, in order to obviate the liability of their stockholders for the debts of the institution, beyond their own stock. This step will probably be followed by others of our city banks, as a measure of safety. The policy of the law is a very questionable one. The profits to city banking institutions, from their circulation, are not sufficient to induce them to run extra hazards. If the existing law be politic in any States, it is less so in New York than any other. The community is fully protected by the free bank system, from any eventual losses by bank circulation. Under this system, bank issues cannot become redundant; while, at the same time, they are based upon the credit of the State, and may be deemed as safe as those of any in the world.

It would, in our opinion, subserve the interests of the public, if other States adopted the New York free bank system, whereby their own stocks, and the general government stocks would be taken up for permanent investment, and their values be more fully sustained. Ohio is the only instance thus far in imitation of New York. The Suffolk Bank system, perfect in its operation as it now is, *while public confidence exists*, would be better adapted to extraordinary emergencies if fully based upon State credit, in addition to their ordinary stock of coin.

The absorption of State securities would not, as the Treatise on Banking in this No. intimates, abridge bank circulation. It would be simply a change of hands. A chartered bank in the State of New York, in adopting the free bank system, would be enabled to maintain the same circulation as formerly. The aggregate circulation of the State would be the same, and equal to the demands of the business community at large. Thus an old bank, with an ordinary line of circulation, of \$300,000, would, in becoming a free bank, invest that amount of its old issues in State stocks. As a new institution, it avails itself at once of the same amount in registered circulation. The same aggregate circulation is maintained, and the only perceptible result is that the \$300,000 of New York bonds are taken from the stock market, and deposited with the Comptroller at Albany; and the former holder invests the proceeds of sale in a new channel. The capital remains in the State. The bank circulation is undisturbed, and the bank contributes its aid in the maintenance of PUBLIC CREDIT.











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